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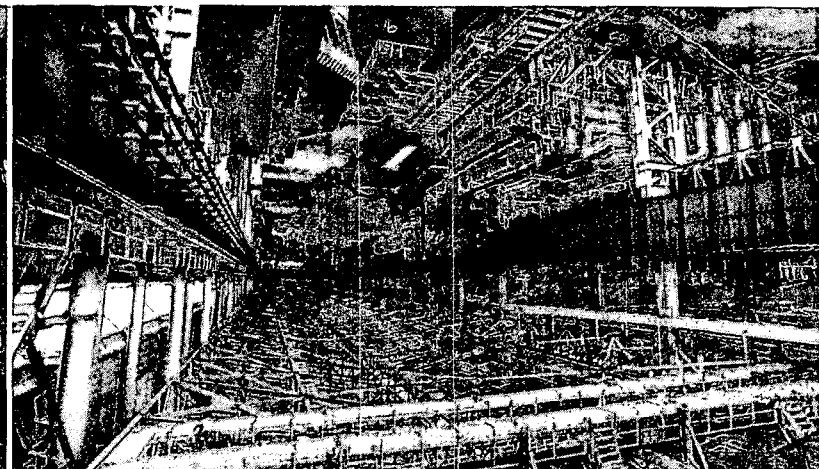
ANNUAL REPORT
1997-98

TATA STEEL

With modernisation, Tisco has practically re-built the entire plant. By 1998, the age of all Tisco plants will be less than 15 years."



Dr. Jamshed J. Ramji, M.D.

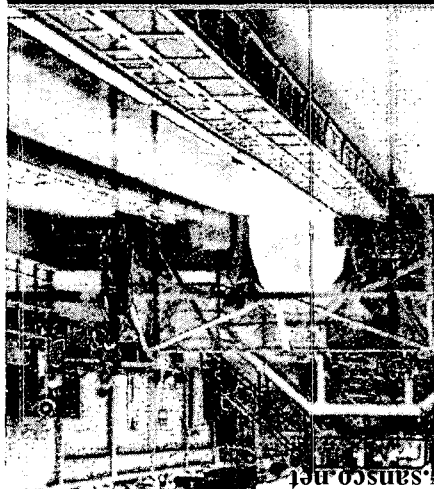
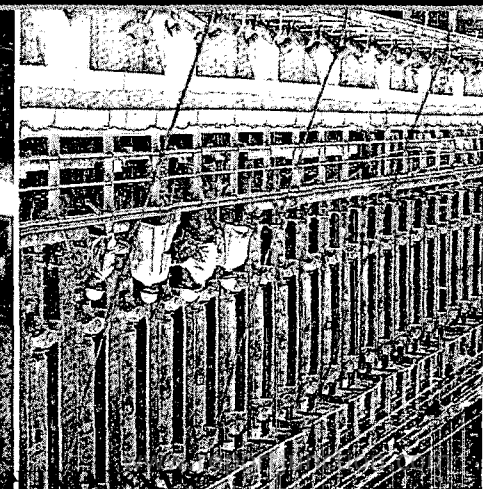


IMPACT OF NEW PROJECTS IN 1998-99

- HOT STRIP MILL COMPLETED IN MID 1998 (AHEAD OF SCHEDULE) RAISING CAPACITY FOR HOT ROLLED COIL TO 2.08 MILLION TONNES PER ANNUM (EXPECTED PRODUCTION 1.6 MILLION TONNES IN 1998-99).
- COKE OVEN BATTERY TO GO INTO PRODUCTION IN JUNE '98 RAISING STAMP CHARGED COKE PRODUCTION TO 75% OF TOTAL COKE MADE
- TOTAL CONCAST PRODUCTION IN '98-99 WILL INCREASE TO 83% OF TOTAL CRUDE STEEL.
- OLD MILLS (ROLLING MILL-1, NARROW STRIP MILL) TO BE SHUTDOWN.

MAJOR MILESTONES AT STEEL WORKS

- COKE OVENS BATTERY # 8 LIGHT UP
- BILLET CASTER NO. 2 IN LD SHOP # 1
- RH DEGASSER IN LD SHOP # 2
- CAPACITY ENHANCEMENT OF HOT STRIP MILL
- TAR INJECTION IN 'E' BLAST FURNACE
- CAPTIVE SOURCE OF DESULPHURISATION COMPOUND COMMISSIONED
- OXYGEN AVAILABILITY ENHANCED



THE TATA IRON AND STEEL COMPANY LIMITED

Notice

THE NINETY-FIRST ANNUAL GENERAL MEETING OF THE TATA IRON AND STEEL COMPANY LIMITED will be held at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Thursday, the 23rd July, 1998, at 3.30 p.m., to transact the following business :

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date.
2. To declare a Dividend on Ordinary Shares.
3. To appoint a Director in the place of Mr. N. A. Palkhivala who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. Nusli N. Wadia who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in the place of Mr. S. M. Palia who retires by rotation and is eligible for re-appointment.
6. **Revision in terms of Remuneration of Managing Director/Executive Director**

To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution : -

"RESOLVED that in partial modification of Resolution No. 8, passed at the Annual General Meeting of the Company held on 31st July, 1997 for the re-appointment of Dr. J. J. Irani, Managing Director of the Company, and Resolution No. 9, passed at the Annual General Meeting of the Company held on 25th July, 1996 in respect of the remuneration payable to Mr. Ishaat Hussain, Executive Director of the Company, and in accordance with the provisions of Sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the change in salary scale applicable to Dr. J. J. Irani and Mr. Ishaat Hussain (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of their respective appointments) with authority to the Board of Directors to fix their salaries within their respective scales, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1st April, 1998, for the remainder of the tenure of their contracts as set out in the respective draft Agreements submitted to this meeting and initialled by a Director for the purpose of identification which Agreements are hereby specifically sanctioned."

7. **Amendments to the Articles of Association**

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies

THE TATA IRON AND STEEL COMPANY LIMITED

Act, 1956, the Articles of Association of the Company be altered in the following manner :

(A) Insert the following Article as Article 11A after Article 11 :

'Buy Back of Shares 11A Notwithstanding anything contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be permitted by the law.'

(B) Insert the following Article as Article 18A after Article 18 :

'Issue of Shares without voting rights 18A In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.'

(C) Insert the following Heading and Article as Article 66A after Article 66 :

'Dematerialisation of Securities

Definitions 66A (1) For the purpose of this Article :-

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities & Exchange Board of India;

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992; and

'Security' means such security as may be specified by SEBI from time to time.

Dematerialisation of Securities (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for Investors (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and

NINETY-FIRST ANNUAL REPORT 1997-98

the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

- | | |
|---|--|
| Securities in Depositories to be in fungible form | (4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners. |
| Rights of Depositories and Beneficial Owners | <p>(5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.</p> |
| Service of Documents | (6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs. |
| Transfer of Securities | (7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository. |
| Allotment of Securities dealt with in a Depository | (8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities. |
| Distinctive numbers of Securities held in a Depository | (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository. |

THE TATA IRON AND STEEL COMPANY LIMITED

Register and Index
of Beneficial
Owners

(10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles'."

8. Buy-Back of Shares/Securities

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED that if and when permitted by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of Ordinary Shares or other Securities specified by the Government, of the Company, as may be thought fit, from the holders of the Ordinary Shares or other Securities of the Company in such proportion and manner as may be permitted by the law, not exceeding 10% of the present paid-up capital of the Company, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on such terms and subject to such conditions as may be prescribed by the law.

"RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of Ordinary Shares or other Securities.

"RESOLVED FURTHER that nothing herein above contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy back any Ordinary Shares or Securities."

9. Employees' Stock Option Scheme

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed

NINETY-FIRST ANNUAL REPORT 1997-98

to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue or allot, in one or more tranches, to such persons as are in the permanent employment of the Company at the time the issue is made and to the Managing/Whole-time Directors of the Company, as may be decided solely by the Board, such number of Ordinary Shares of the Company of the face value of Rs. 10/- each, not exceeding 5% or such higher percentage, if permitted by law, not however exceeding 10% of the Subscribed Ordinary Shares of the Company at that time, as the Board may deem fit, for subscription for cash or allocated as an option to subscribe, on such terms and at such price as may be fixed and determined by the Board prior to the issue and offer thereof in accordance with the applicable guidelines and provisions of law and otherwise ranking pari passu with the Ordinary Shares of the Company as then issued and in existence and on such other terms and conditions and at such time or times as the Board may, in its absolute discretion and in the best interest of the Company deem fit; Provided that the aforesaid issue of Ordinary Shares may instead be in the form of fully or partly Convertible Debentures, Bonds, Warrants or other securities as may be permitted by the law, from time to time and the issuance of such securities in the aggregate will result in not more than 5% or such higher percentage, as may be permissible, not however exceeding 10% of the Subscribed Ordinary Shares of the Company at that time.

“RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of Ordinary Shares as may be required in pursuance of the above issue, and that the Ordinary Shares so allotted shall rank in all respects pari passu with the existing Ordinary Shares of the Company save and except that such Ordinary Shares which may be with or without voting rights, if permitted by the law, shall carry the right to receive either the full dividend or a pro-rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the Shares shall become effective.

“RESOLVED FURTHER that the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals to the Board to secure, if necessary, all or any of the above mentioned securities to be issued, by the creation of mortgages and/or charges on all or any of the Company's immovable and/or movable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

“RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the Issue, the Issue price and all other terms and matters connected therewith including the creation of mortgages and/or charges and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the Issue.”

THE TATA IRON AND STEEL COMPANY LIMITED

10. Issue of Securities in the International Market

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

“RESOLVED that in accordance with provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board to issue, in one or more tranches, in the international market to Foreign Financial Institutions, Foreign Investors/Companies and/or Foreign Investment Institutions operating in India, whether shareholders of the Company or not (hereinafter collectively referred to as “Investors”) through a public issue and/or on private placement basis and/or on preferential allotment basis, Ordinary Share related instruments, including Convertible Bonds or Bonds with Share Warrants attached (hereinafter collectively referred to as “Securities”) as may be thought fit, upto an amount not exceeding US\$ 150 million inclusive of such premium as may be payable on the Ordinary Shares, at such time or times, on such terms and at such price or prices as the Board in its absolute discretion deems fit.

“RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of additional Ordinary Shares as may be required in pursuance of the above issue, and that the Ordinary Shares so allotted shall rank in all respects pari passu with the existing Ordinary Shares of the Company save and except that :

- (i) if prior to the issue of any of the Securities hereinabove mentioned, the Company is enabled as a result of any legislative changes or enactments, to issue Ordinary Shares without voting rights attached to them (such shares hereinafter being referred to as the “Non-voting Shares”) the Board may, at its discretion issue the whole or any part of such Shares without voting rights upon such terms and conditions and with such rights and privileges annexed thereto as may be permitted by the relevant law and,
- (ii) such Ordinary Shares, which may be with or without voting rights, shall carry the right to receive either the full dividend or a pro rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the Shares shall become effective.

“RESOLVED FURTHER that the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary

NINETY-FIRST ANNUAL REPORT 1997-98

approvals to the Board to secure, if necessary, all or any of the above mentioned securities to be issued, by the creation of mortgages and/or charges on all or any of the Company's immovable and/or movable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

"RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the Issue, the Issue price and all other terms and matters connected therewith including the creation of mortgages and/or charges and to make and accept any modifications in the proposal as may be required by the concerned authorities in India and abroad and to settle any questions or difficulties that may arise in regard to the Issue."

11. Appointment of Auditors

To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

"RESOLVED that pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, Messrs A. F. Ferguson & Company and Messrs S. B. Billimoria & Company, the retiring Auditors of the Company, be and are hereby re-appointed auditors of the Company to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company and to examine and audit the accounts of the Company at Mumbai for the financial year 1998-99.

"RESOLVED FURTHER that Messrs A. F. Ferguson & Company and Messrs S. B. Billimoria & Company be authorised to examine and audit the accounts of the Company at Jamshedpur, of the Camps, Collieries, the Bearings Division, the Tubes Division and other Divisions for the financial year 1998-99, such audit to be carried out by the two firms of auditors by mutual arrangement.

"RESOLVED FURTHER that the Auditors be paid for the financial year 1998-99 such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors, plus out-of-pocket, travelling and living expenses."

NOTES :

- (a) The relative Explanatory Statements, pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos. 6 to 11 above, are annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

THE TATA IRON AND STEEL COMPANY LIMITED

- (c) The Register of Members and Transfer Books of the Company are closed from Friday, 22nd May, 1998 and will remain closed till Friday, 12th June, 1998, both days inclusive.
- (d) If a dividend on shares as recommended by the Directors is passed at the meeting, payment of such dividend will be made on and after 24th July, 1998 to those members whose names are on the Company's Register of Members on the 12th June, 1998.
- (e) Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

By Order of the Board of Directors

S. A. SABAVALA

Director

Mumbai, 28th May, 1998.

Registered Office :

Bombay House,
24, Homi Mody Street,
Mumbai 400 001.

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NINETY-FIRST ANNUAL REPORT 1997-98

Annexure to Notice

As required by Section 173 of the Companies Act, 1956, (hereinafter referred to as "the Act") the following Explanatory Statements set out all material facts relating to the business mentioned under Item Nos. 6 to 11 of the accompanying Notice, dated 28th May, 1998.

2. **Item No. 6 :** At the Annual General Meeting of the Company held on 31st July, 1997, the Members had approved of the re-appointment of Dr. J. J. Irani, Managing Director of the Company and a salary scale of Rs. 35,000 - Rs. 75,000 per month together with such perquisites and commission as specified in the Explanatory Statement annexed to the Notice of the Meeting.

3. At the Annual General Meeting of the Company held on 25th July, 1996, approval was accorded to a revision in the salary scale for Mr. Ishaat Hussain, Executive Director of the Company to Rs. 20,000 - Rs. 60,000 per month.

4. As the Shareholders are aware, the Government had liberalised Schedule XIII to the Act in 1994, enhancing the limits of managerial remuneration, but the Company had set for itself certain limits in this regard. The present salary scales of the Managing Director and Executive Director were based on the internal limits of the Company as framed in 1996 and as approved by the Shareholders. It is now proposed to revise the salary scales of the Managing Director and Executive Director with effect from 1st April, 1998 as follows :

The salary scale for Dr. J. J. Irani be enhanced to Rs. 35,000 - Rs. 1,75,000 p.m. and that of Mr. Ishaat Hussain be enhanced to Rs. 20,000 - Rs. 1,60,000 p.m. (with proportionate increases in the value of the benefits related to salary) for the remainder of the tenure of their contracts i.e. upto 21st July, 2001 and 16th August, 1999 respectively with the authority to the Board to fix their salaries within their respective scales from time to time. The annual increment will be merit based and take into account the Company's performance.

5. All other terms and conditions of the appointment of Dr. Irani and Mr. Hussain as approved by the Shareholders, will remain unchanged. The Resolution for the change in the scale of remuneration payable to the Managing Director and Executive Director is commended for acceptance by the Shareholders.

6. The draft Agreements between the Company and Dr. Irani and Mr. Hussain respectively are available for inspection at the Registered Office of the Company between 11 a.m. and 1 p.m. on any working day of the Company.

7. Dr. Irani and Mr. Hussain are concerned or interested in the Resolution at Item No. 6 of the Notice.

8. This may also be treated as an abstract of the draft Agreements between the Company and Dr. Irani and Mr. Hussain respectively pursuant to Section 302 of the Act.

9. **Item No. 7 :** Article 11 of the Articles of Association of the Company prohibits the Company from buying its own shares. It is proposed to introduce a new Article 11A in the Articles of Association as set out in the

THE TATA IRON AND STEEL COMPANY LIMITED

Resolution at Item No. 7(A) to enable the Company to purchase any of its own shares or securities, as proposed in the Resolution at Item No. 8, in the event it is permissible by the law.

10. The issue of shares without voting rights by companies is presently not permitted under the Act. The Companies Bill, 1997, however, proposes to lay down the operative provisions to regulate the issue of shares without voting rights. It is expected that, in course of time, the law will be amended to permit issue of shares without voting rights by the companies. Hence, it is proposed to introduce a new Article 18A in the Articles of Association as set out in the Resolution at Item No. 7(B) to enable the Company to issue shares without voting rights, as may be permitted by law.

11. With the introduction of the Depositories Act, 1996, and the Depository System, some of the provisions of the Act relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding Securities in an electronic form is a far safer and more convenient method for holding and trading in the Securities of a company. The Company has also joined the Depository System and it is, therefore, proposed that the Company's Articles of Association be suitably altered, as set out in Resolution at Item No. 7(C) to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the Securities in such a system.

12. The Board commends the Resolution for acceptance by the Members.

13. A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11 a.m. and 1 p.m. on any working day of the Company.

14. **Item No. 8 :** The Act presently prohibits a company from purchasing its Own Shares and Securities. However, it is anticipated that the law may in future permit a company to buy back its own securities (buy-back of securities).

15. Subject to the buy-back of securities being legally permissible, it is proposed to enable the Company to buy back its Ordinary Shares or such other permissible securities, not exceeding 10% of the paid-up capital of the Company from the Members of the Company either from the open market or from the holders of odd lots, or from the holders of the shares that may be issued under the Employees' Stock Option Scheme or as permitted by the law. The buy-back of shares or securities would be at the rate and from the funds permitted by the law as set out in the Resolution.

16. The Resolution, if approved, will be operative for and will be given effect to within a period of 15 months from the date of passing the Resolution or such other time limit laid by the law.

17. The Directors commend the Resolution for acceptance by the Members.

NINETY-FIRST ANNUAL REPORT 1997-98

18. **Item No. 9 :** In the present competitive environment in the country and in the long term interest of the Company and its Shareholders, it is necessary that the Company adopts measures for attracting and retaining qualified, talented and competent personnel. Stock Option Schemes, designed to foster a sense of ownership and belonging amongst personnel, are a well-accepted approach to this end. It is, therefore, appropriate to consider introducing a Stock Option Scheme for the permanent employees of the Company and its Managing/ Whole-time Directors. The shares may be allotted directly to employees or allocated in accordance with a Stock Option Scheme framed in that behalf, in accordance with the provisions of the prevailing law. It is intended that any such Stock Option Scheme shall not involve an issue/allocation of shares/options representing more than 10% of the Company's outstanding subscribed and paid-up capital at any time. The proposed Resolution is designed to enable achievement of these objectives.

19. Section 81 of the Act, provides, inter alia, that whenever it is proposed to increase the Subscribed Capital of a Company by the allotment of further shares, such further shares shall be offered to the existing Shareholders of the Company in the manner laid down in the said Section unless the Shareholders in General Meeting decide otherwise. The consent of the Shareholders is, therefore, sought to authorise the Board of Directors to issue the Shares in the manner set out in the Resolution at Item No. 9.

20. The Board commends the Resolution for acceptance.

21. Dr. J. J. Irani, Managing Director and Mr. Ishaat Hussain, Whole-time Director may be deemed to be concerned or interested in the Resolution at Item No. 9 to the extent of the securities, which may be offered and issued to them.

22. **Item No. 10 :** In order to part finance the capital expenditure programme, working capital requirements and for general corporate purposes, it may be necessary for the Company to issue the Securities as defined in the Resolution at Item No. 10 in the International Capital Markets.

23. The detailed terms and conditions of the issue of Securities in the international markets will be determined in consultation with the Lead Managers, Advisors and Underwriters to be appointed by the Company. Since the pricing of the Issue cannot be decided except at a later stage, it is not possible to state the price or the exact number of Securities or shares to be issued and hence an enabling resolution in wide terms has been proposed to give adequate flexibility and discretion to the Board to finalise the issue and its terms in consultation with the lead managers and underwriters and other concerned authorities including in relation to the pricing of the Issue which will be free market pricing and may be at a premium or discount in relation to market price in accordance with international practice. However, the Ordinary Shares which may be issued pursuant to such issue will be of an aggregate face value not exceeding 10% of the increased Ordinary Share Capital of the Company.

THE TATA IRON AND STEEL COMPANY LIMITED

24. The said Securities issued pursuant to the envisaged offer may be listed on the Stock Exchanges abroad and may be represented by Global Depository Receipts or other securities outside India.

25. Section 81 of the Act, provides, inter alia, that whenever it is proposed to increase the Subscribed Capital of a Company by the allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the Ordinary Shares of the Company in proportion to the capital paid-up on the date unless the Shareholders in General Meeting decide otherwise. The consent of the Shareholders is, therefore, sought to authorise the Board of Directors to issue in one or more tranches the said Securities in the International Market to Foreign Financial Institutions, Foreign Investors/Companies and/or to Foreign Investment Institutions operating in India, whether Shareholders of the Company or not, through a public issue and/or on private placement basis and/or on preferential basis as set out in Resolution No. 10. Further, in the event that it is permitted by the law in future to issue shares without voting rights, the Board may, in its discretion, issue such non-voting shares for the purpose of the securities to be issued in terms of this Resolution.

26. The Board commends Resolution No. 10 for acceptance by the Shareholders.

27. **Item No. 11 :** Section 224A of the Act, provides for the appointment or re-appointment at each Annual General Meeting of an auditor or auditors of a company by a Special Resolution if the company is one in which not less than 25 per cent of its subscribed share capital is held singly or in combination by the Public Financial Institutions, Government Companies, etc.

28. The holdings of the aforesaid companies and institutions in the Company exceed 25% of its subscribed share capital and hence the re-appointment of Messrs A. F. Ferguson & Company and Messrs S. B. Billimoria & Company as Auditors of the Company is required to be made by a Special Resolution. As required under Section 224 of the Act, certificates have been received from them to the effect that their appointments, if made, will be in accordance with the limits specified in Section 224(1B) of the Act. The Shareholders' approval is also being sought to authorise the Board of Directors to determine the remuneration payable to the Auditors in consultation with them.

By Order of the Board of Directors

S. A. SABAVALA
Director

Mumbai, 28th May, 1998.

Registered Office :

Bombay House,
24, Homi Mody Street,
Mumbai 400 001.

THE TATA IRON AND STEEL COMPANY LIMITED
NINETY-FIRST ANNUAL REPORT 1997-98

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

Contents

Board of Directors	2
Chairman's Statement	3
A Humane Corporate	6
Directors' Report	8
Highlights	34
Sources & Utilisation of Funds	35
Distribution of Revenue	36
Auditors' Report	37
Annexure to the Auditors' Report	38
Balance Sheet	40
Profit & Loss Account	41
Schedules forming part of the	
Profit & Loss Account	42
Notes to Schedule 4	44
Schedules forming part of the Balance Sheet	45
Notes on Balance Sheet and	
Profit and Loss Account	58
Balance Sheet Abstract and Company's	
General Business Profile	65
Cash Flow Statement	66
Production Statistics	67
Financial Statistics	68
Dividend Statistics	69
Distribution of Shareholding and Categories of Shareholders	70
Statement pursuant to Section 212 of the	
Companies Act, 1956, related to Subsidiary Companies	71

Accounts of the Subsidiary Companies

(i) Tata Refractories Ltd.	72-79
(ii) The Tata Pigments Ltd.	80-86
(iii) Kalimati Investment Co. Ltd.	87-91
(iv) Tata Korf Engineering Services Ltd.	92-100
(v) Tata Incorporated	101-104
(vi) Stewarts and Lloyds of India Ltd.	105-115
(vii) Tata Technodyne Ltd.	116-120
(viii) Ipitata Refractories Ltd.	121-128

Annual General Meeting on Thursday 23rd July, 1998 at Birla Matushri Sabhagar at 3.30 p.m.
As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

This Annual Report has been printed on environment-friendly paper.

THE TATA IRON AND STEEL COMPANY LIMITED**Board of Directors**

(As on 28th May, 1998)

Mr. R. N. Tata (Chairman)
 Mr. Keshub Mahindra
 Mr. N. A. Palkhivala
 Mr. S. A. Sabavala
 Mr. Mantosh Sondhi
 Mr. Nusli N. Wadia
 Mr. L. P. Singh
 Mr. S. M. Palia
 Mr. P. K. Kaul (Financial Institutions' Nominee)
 Mr. Suresh Krishna
 Mr. P. S. Subramanyam (Financial Institutions' Nominee)
 Dr. Jamshed J. Irani (Managing Director)
 Mr. Ishaat Hussain (Whole-time Director)

Management

(As on 28th May, 1998)

Dr. Jamshed J. Irani Managing Director
 Mr. Ishaat Hussain Sr. VP & ED (Finance)
 Dr. T. Mukherjee VP (Operations)
 Mr. N. P. Sinha VP (Engineering & Raw Materials)
 Mr. B. Muthuraman VP (Project Gopalpur & Cold Rolling Mill)
 Mr. A. N. Singh VP (Town, Medical & Social Services)
 Mr. S. Pandey VP (Human Resources Management)
 Mr. F. A. Vandrevalla VP (Marketing & Sales)

REGISTERED OFFICE

Bombay House, 24 Horni Mody Street,
Fort, Mumbai 400 001.

BANKERS

State Bank of India

LEGAL ADVISORS

S. R. Vakil,
Messrs Mulla & Mulla and Cragie
Blunt & Caroe

AUDITORS

Messrs A. F. Ferguson & Company
Chartered Accountants
Messrs S. B. Billimoria & Company
Chartered Accountants

SHARE REGISTRARS

Tata Share Registry Limited,
Army & Navy Building,
148, Mahatma Gandhi Road,
Fort, Mumbai 400 001.

Chairman's Statement

Dear Shareholder,

The continuing general slow-down in industrial activity accompanied by political uncertainty, has impacted several sectors of the economy. Amongst the worst hit were housing, automobiles, capital goods and white goods. The various proposed large infrastructure projects in the areas of Power, Ports, and Roads, which were scheduled to be implemented also witnessed little or no activity. All of these factors resulted in a 1% decline in the demand for steel during the year under review. Additional domestic steel capacity and increased competition from South East Asian suppliers arising out of their devalued currencies have aggravated the situation further.

It is, therefore, creditable that despite these adverse conditions, Tata Steel was able to increase its domestic sales volume by 10% over the previous year and also its market share by 1%. However, the highly competitive

environment caused an erosion of margins, resulting in the net profit of the Company declining by 31%.

The current year so far, does not appear to show any signs of improvement. Demand for goods and services from several industrial sectors continue to be sluggish and major infrastructural projects which would have reflected large investments on the ground, both in terms of construction as also capital equipment show little signs to-date of being activated. In fact, progress on such projects could be further impacted because of possible additional financing constraints following the recent nuclear testing in the region.

Tata Steel is vigorously planning to meet these challenges. It is working to enhance its leadership in its defined markets in value-added segments, enriching its product-mix and drastically aiming at reduction of

THE TATA IRON AND STEEL COMPANY LIMITED

semi-finished products. Major thrusts in this direction include the doubling of capacity of the Hot Strip Mill by June 1998; and the setting up of a modern high throughput Cold Rolling Mill which is to be ready in 24 months by June, 2000. The Company has also set itself aggressive targets in the area of cost reduction. Significant improvements have already been achieved in operating parameters such as fuel consumption, energy usage and manpower productivity. It will also need to aggressively refocus itself on its core business, and review its involvement in several peripheral related and unrelated businesses in order to become more competitive and to better protect the interests of their stakeholders.

Clearly, the Steel Industry will continue to be one of the main foundations for the growth of the nation. The per capita consumption of steel in India continues to be woefully low at around 20 Kgs. against current consumption

of 80 Kgs. in China, 405 Kgs. in Malaysia and 925 Kgs. in Korea. The potential for the growth of steel therefore continues to exist; as I have stated in previous years, if India aspires, in its quest to be a major force in Asia, to achieve a per capita steel consumption of even two-thirds of China's level, we would need to be producing at least 60 million tonnes of steel every year.

Although the country is going through a difficult period, one has to accept that the economic fundamentals in India are still sound, though the psychological fundamentals and sentiments appears to have been eroded. India is a country of 965 million people, which achieved an average GDP growth rate of 6.5% per annum over the past six years, and an industrial growth rate of 6.8% per annum over the same period. If these growth rates have declined substantially in the past year or so, one must recognize that this is a cyclic down-turn and that barring natural

NINETY-FIRST ANNUAL REPORT 1997-98

or manmade calamities, the nation should once again, witness a period of sustained economic growth. This would, however, call for strong, directed and uncompromised economic policies by the Government, oriented towards a growth economy, and would call for a strong political will on the part of the Government as also a sense of confidence in the future of India from all segments of the population.

In ending, let me pay special tribute to the team at Tata Steel which has worked hard to address the near-term challenges of the year, and with their usual display of spirit, put their best forward at this difficult time.



Chairman

Mumbai, 5th June, 1998



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THE TATA IRON AND STEEL COMPANY LIMITED

A Humane Corporate

In the year under review, the Company, continuing its thrusts as a good corporate citizen, has concentrated on (a) decongestion (b) greening (c) relief in parts of India which are affected by natural calamities and (d) slum development of 'Bagan' bustee areas.

Jaiprakash Narayan Setu

For decades Jamshedpur's only link across the Subarnarekha river with the main Ranchi - Calcutta National Highway 33, has been a long, single-lane bridge massively congested at all times of the day thus creating lifeline hold-ups of the Steel city's goods and services.

On June 18, 1997, Managing Director, Dr. J.J. Irani opened a new 260 metre two-lane dual carriage bridge, named after Bihar and national leader Jaiprakash Narayan. Built by the Town Division at a cost of Rs. 9 crores, the new bridge has already provided a great relief for residents, industries in the Jamshedpur industrial area.

Transportnagar

Similarly to minimise the impact of the road traffic in the Town created by the plying of heavy-duty trucks and trailers for transporting finished products, the Company has established a 25-acre transport park with accommodation available for 425 trucks and trailers, with facilities being provided for the stay and comfort of drivers. The park is being screened off from the surrounding areas by a mini-forest of trees which is a part of the greening of the city.

Greening

By 1999 the millennium year, the Company proposes in its environment programme to plant

The Gopalpur Project Resettlement and Rehabilitation Plan is very comprehensive and reflects a genuine commitment to minimise the trauma of displacement and eventually improve the standard of living of all displaced persons. This commitment is clearly demonstrated by TISCO personnel working on the project.

Source: Environmental Resources Management, India

The past - February '97



The present - January '98



one million trees, of this in the year under review, 600,000 have already been planted.

Relief

Officers and workers providing one day's salary (the Company has matched this contribution) have spearheaded the effort of a cluster of Tata companies to go to the relief of victims affected by earthquakes in the Jabalpur district in Madhya Pradesh two years ago. The relief activity, managed by the Tata Relief Committee, has resulted in the construction of 184 houses and community centres in three villages of the district. The Relief Committee in allied works has also assisted in drilling 50 tube wells in Ganjam District of Orissa and constructed 21 school cum cyclone shelters in the East Godavari District of Andhra Pradesh.

Slum Development

Jamshedpur's Bagan Area, consisting of 42 bustees housing over a lakh of people, has seen a social welfare programme of various projects for the benefit of the bustee people. These include roads, drains, street lights, water supply, parks and conservancy services. The work, which has been

in progress for over four years, has provided considerable relief for a large number of under-privileged residents.

Apart from these specific areas of activities, social welfare in Jamshedpur has included new facilities in the Medical Division like the inauguration of "Jeevan Jyoti" clinics to give relief to terminally ill and depressed patients, a special "Family Life and Value Education" programme, which has been launched in Patna for pre-adolescents and adolescents and the sponsorship of "Impact India's" Life-Line Express which, has serviced hundreds of people at Gopalpur and Bamnival in Orissa.

In 1997-98 through enhanced Municipal Community and Medical services, through Tata Steel's relief development programmes and other grants and contributions, the Company has spent around Rs. 34 crores against the heading 'Welfare Expenditure'. Tata Steel thus continues to walk along the path laid down by its Chairman who had said "we shoulder community responsibility as part of the social responsibility of our nation... social responsibility is one of the criteria of gauging the performance of companies."



THE TATA IRON AND STEEL COMPANY LIMITED

Directors' Report

TO THE MEMBERS,

The Directors hereby present their Ninety-First annual report on the business and operations of the Company and the financial accounts for the year ended 31st March, 1998.

Financial Results

	Rupees Crores	Previous Year Rupees Crores
2. (a) Operating Profit	995.34	1164.13
(b) Add : Dividend and Other Income	83.09	57.97
(c) Profit before Interest, Depreciation, Employee Separation Compensation and Taxes	1078.43	1222.10
(d) Less : Interest	259.68	274.36
(e) Profit before Depreciation, Employee Separation Compensation and Taxes	818.75	947.74
(f) Less : Depreciation	343.23	326.83
(g) Profit before Taxes and Employee Separation Compensation	475.52	620.91
(h) Less : Employee Separation Compensation	112.19	78.70
(i) Profit before Taxes	363.33	542.21
(j) Less : Provision for Taxes	41.25	73.00
(k) Profit after Taxes	322.08	469.21
(l) Less : Transfer to Debenture Redemption Reserve	100.00	150.00
(m) Add : Transfer from Investment Allowance (Utilised) Reserve	29.00	27.04
	251.08	346.25
(n) Add : Balance brought forward from the previous year	82.42	68.40
(o) Balance	333.50	414.65
which the Directors have appropriated as under, to :		
(i) Proposed Dividend on Ordinary Shares	147.25	165.66
(ii) Tax on Dividend	14.73	16.57
(iii) General Reserve	90.00	150.00
TOTAL	251.98	332.23
leaving a balance of	81.52	82.42
to be carried forward		
3. The Directors recommend a dividend for the year ended 31st March, 1998, to be paid as follows, if approved by the Shareholders at the Annual General Meeting to be held on 23rd July, 1998 :		
(a) On 368,137,018 Ordinary shares at Rs. 4 per share together with dividend on 450 ordinary shares, forfeiture of which was cancelled, at Rs. 4.50 per share for 1996-97 (1996-97: On 368,128,825 Ordinary shares at Rs. 4.50 per share)	147.25	165.65
(b) On 387 Ordinary shares of Rs. 10 each pro-rata (1996-97 : On 7,743 Ordinary shares of Rs. 10 each pro-rata)		0.01
	147.25	165.66

4. Turnover and Profits

Sale of products and services showed a modest increase of 1.3% to Rs. 6,433.49 crores. The net realisation was under pressure due to intense competition and sluggish demand. Significant improvements in operational efficiencies and strong volume growth could only partially offset the pressure on margins due to the reductions in net realisations and mandatory increases in input costs. Consequently, the operating profit of the Company declined to Rs. 995.34 crores (1996-97 : Rs. 1164.13 crores).

Employee separation compensation increased from Rs. 78.70 crores to Rs. 112.19 crores on account of additional voluntary separations during the year of 1812 employees. The net profit was Rs. 322.08 crores (1996-97 : Rs. 469.21 crores) after providing Rs. 41.25 crores for MAT (1996-97 : Rs. 73.00 crores).

5. Operations

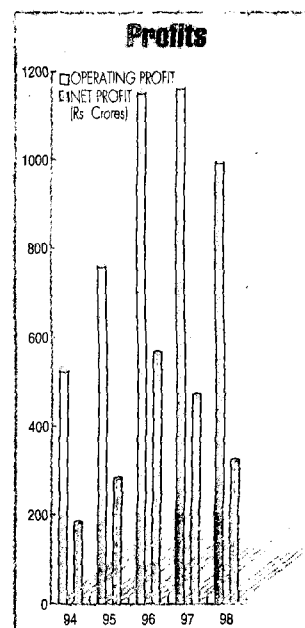
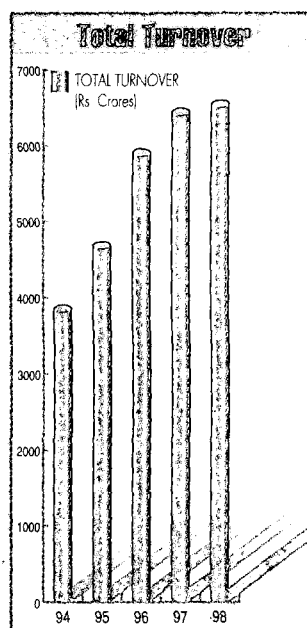
Gross saleable steel output crossed the 3 million tonnes mark for the first time, with production touching 3.01 million tonnes. However, the proportion of semi-finished steel increased to 37% from 29% in the previous year, primarily due to (i) there being no increase in the capacity of the finishing mills during the year to absorb the increased output of crude steel, (ii) extended shut-down of Hot Strip Mill of almost one month in connection with the work for doubling its capacity, part of which was unscheduled, and (iii) closure of the Sheet Mills from 1st January, 1998. Output of continuous cast billets/slabs improved to 64% (from 56%). Further, cost savings were achieved by a reduction in specific energy consumption, and substantial improvement in refractory usage at the Steel Melting Shops. In keeping with the

Company's policy of shutting down uneconomic and obsolescent units, the 75-year old Sheet Mills and the inefficient Seamless Tube Plant were closed down with effect from 1st January, 1998.

The Jojobera Unit of the Cement Division increased production by 36% to 1.239 million tonnes, while the output of the Sonadih Unit fell marginally by about 1% to 363,900 tonnes. Capacity utilisation of both cement plants together improved to 93% from 74% in the previous year. Among the other major businesses, the Bearings Unit was the most affected from the economic slump and production had to be curtailed by 25% to only 11.7 million nos. from the previous year. The production of ferro-chrome increased by 14% to 91,800 tonnes. Tubes output was up by 10% to 1,63,400 tonnes.

6. Sales and Exports

Despite a slowdown in industrial growth, resulting in a decline in the consumption of steel in the domestic market, the Company recorded a growth of 9.74% in domestic sales volume to 2.388 million



THE TATA IRON AND STEEL COMPANY LIMITED

tonnes (1996-97 : 2.176 million tonnes) increasing its overall market share. Further, although the export market was severely impacted by the events in South East Asia which were a major destination for the export of the Company's products till the middle of the financial year, the Company managed to increase its exports by 6% to 0.433 million tonnes (1996-97 : 0.407 million tonnes). The total sales of the Company's steel products increased by 9% to 2.821 million tonnes (1996-97 : 2.583 million tonnes). Cement sales, both PSC and OPC, improved by 20% to 1.540 million tonnes. Total export turnover was higher by 9% at Rs. 722 crores. Steel and engineering goods accounted for Rs. 504 crores (previous year : Rs. 422 crores) and export of raw materials Rs. 211 crores (previous year : Rs. 234 crores).

7. Projects

The second Slab Reheating Furnace, which is a part of the Company's Modernisation Programme - Phase IV, was commissioned on 31st December, 1997. The other facilities of the flat product complex (viz. doubling the capacity of the Hot Strip Mill, the third converter and the third slab caster in LD Shop-2) are expected to be commissioned by the middle of the current fiscal year. The new Coke Oven Battery No.8 with a capacity of 0.5 million tonnes per annum, was lit up on 24th March, 1998.

During the year, the decision was taken to establish a Cold Rolling Mill (CRM) at the Company's Works in Jamshedpur to add value to the current product-mix. Site clearance, civil and structural work for the CRM has commenced, and Letters of Intent for most of the major equipment, foreign and indigenous, have already been placed. The Company had appointed Nippon Steel, who have vast experience in the area of cold rolling, as the Technology Consultant. The CRM project

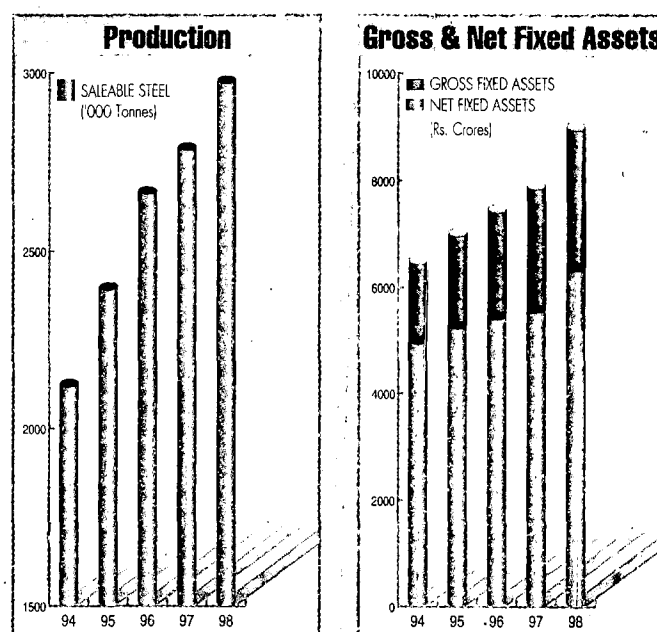
is proceeding on a very tight completion schedule (better than most international standards) and is targeted for commissioning in June 2000.

8. Finance

The Company had raised Rs. 200 crores by way of Secured Redeemable Non-Convertible Debentures to fund a part of its capital expenditure/working capital. Foreign currency loans of US\$ 125 million (net) were also raised to meet the Company's long-term requirement of funds.

9. Dematerialisation of Shares

As a part of its efforts to provide better investor service, the Company has admitted its Ordinary Shares in the Depository System of National Securities Depository Ltd. and has offered the investors the facility to hold the shares in electronic form and scripless trading of the same. As on 31st March, 1998, 7,37,99,584 Ordinary Shares of Rs. 10/- each (20.05%) have been dematerialised.



10. Directors

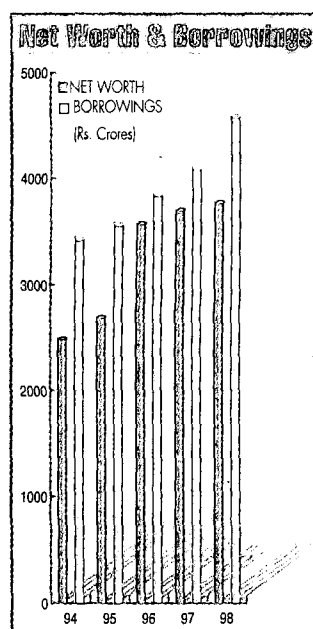
Mr. Akbar Hydari, Director of the Company, passed away on May 9, 1998. Mr. Hydari joined the Board of Tata Steel in August 1976 and continued to be a member till the time of his demise. Enriched with varied experience, Mr. Hydari rendered valuable guidance and support to the Management of the Company during his tenure of 22 years. The Directors placed on record their deep sorrow at the death of Mr. Hydari and offered their heartfelt condolences to the members of his family.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. N.A. Palkhivala, Mr. Nusli N. Wadia and Mr. S.M. Palia, retire by rotation and are eligible for re-appointment.

11. Industrial Relations

The Company continued to receive good support from its employees at all levels of the organisation, which facilitated record levels of production in all

major areas of the Company's products. The Tata Workers' Union in Jamshedpur and all the other Unions at the various locations of the Company's operations lent full co-operation towards "rightsizing" and improving productivity. Further efforts in this direction continue.



12. Subsidiaries

The Company has acquired 24,99,993 equity shares of Rs.10/- each of Tata Technodyne Ltd. Tata Refractories Ltd., a subsidiary of the Company has acquired 6,24,000 equity shares of IPITATA Refractories Ltd. With these acquisitions, Tata Technodyne Ltd. and IPITATA Refractories Ltd. have become subsidiaries of the Company during the year.

13. Energy, Technology, Foreign Exchange

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A' to the Directors' Report.

14. Particulars of Employees

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure 'B' to the Directors' Report.

On behalf of the Board of Directors

Mumbai, 28th May, 1998.

RATAN N. TATA
Chairman

THE TATA IRON AND STEEL COMPANY LIMITED**Annexure 'A' to Directors' Report**

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

A. Conservation of Energy**(a) ENERGY CONSERVATION MEASURES TAKEN :****STEEL DIVISION**

- (i) Progressive improvement in the rate of LD steel making through continuous casting route.
- (ii) Improvement in the recovery of coke oven gas, blast furnace gas, LD gas and Coal tar and increased usage of blast furnace gas at boiler houses and coal tar injection at Blast Furnaces.
- (iii) Ensuring consistent availability of Oxygen for iron making and steel making to optimise the oxygen distribution.
- (iv) Complete closure of Sheet Mills.
- (v) Blast furnace gas enrichment by surplus coke ovens gas for heating the stoves of all the blast furnaces (A to F) leading to higher blast temperature and higher stoves efficiency.
- (vi) Commissioning of a facility for blast furnace gas firing with coke ovens gas as flame support at the Slag granulation and drying plant kilns.

(b) ADDITIONAL INVESTMENTS AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY :

- (i) Oxygen enrichment facilities in all the Blast Furnaces.
- (ii) Installation of thermo-compressor at Coke Plant No.1 to utilise the exhaust steam from boosters for the ammonia and naphtha line stills of the by-product plant.
- (iii) Stamp charged Battery No. 8 is being commissioned.

(c) IMPACT OF THE ABOVE MEASURES :

Energy conservation measures during 1997-98 have resulted in achieving :

- (i) Lowest specific petro-fuel consumption.
- (ii) Lowest plant specific energy consumption.
- (iii) Lower coal (middlings) consumption at Boiler Houses.
- (iv) Lowest fuel rates in seven production departments.
- (v) Highest hot blast temperature at Blast Furnaces.
- (vi) Lowest oxygen vent loss.
- (vii) Highest by-product fuel recoveries (coke oven gas, LD gas and Coal tar).

(d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION :

Form - A enclosed.

B. Technology Absorption

- (e) Efforts made in technology absorption as per Form B : Form B enclosed.

C. Foreign Exchange Earnings and Outgo

- (f) Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services; and export plans } Mentioned in the Directors' Report.
- (g) Total foreign exchange used and earned (1997-98)

	Rs. in Crores
(i) CIF value of imports	556.34
(ii) Expenditure in foreign currency	101.03
(iii) Foreign exchange earned (includes deemed exports)	734.13

NINETY-FIRST ANNUAL REPORT 1997-98

Form - A

Form for disclosure of particulars with respect to conservation of energy : 1997-98

Particulars	1997-98	1996-97
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Units (M. KWH)	1,198.86	1,086.35
Total Amount (Rs. Lakhs)#	36,963.80	26,288.75
Average Rate/Unit (Rs./KWH)	3.08	2.42
(b) Own Generation		
(i) Through Diesel Generator		
Units (M. KWH)	81.86	81.87
Units per litre of Diesel Oil (KWH)	3.81	3.81
Average Cost/Unit (Rs./KWH)	3.72	2.47
(ii) Through Steam Turbine/Generator		
Units (M. KWH)	1,199.91	1,278.89
Units per tonne of Coal (KWH)	1,208.65	1,167.00
Average Cost/Unit (Rs./KWH)	1.14	1.13
2. Coal		
(i) Coking Coal		
Quantity (Million Tonnes)	2.72	2.87
Total Cost (Rs. Lakhs)	55,758	56,591
Average rate (Rs./Tonne)	2,050	1,975
(ii) Blast Furnace Injection Coal		
Quantity (Million Tonnes)	0.18	0.20
Total Cost (Rs. Lakhs)	1,796.58	1,568.43
Average rate (Rs./Tonne)	1,025	802
(iii) Middling Coal and ROM		
Quantity (Million Tonnes)	1.71	1.84
Total Cost (Rs. Lakhs)	10,196	11,255
Average rate (Rs./Tonne)	597	611
3. Furnace Oil		
Quantity (Kilo Litres)	566	1,608
Total Amount (Rs. Lakhs)	41.04	109.16
Average rate (Rs./KL)	7,251	6,790
4. Others		
L.D.O.		
Quantity (Kilo Litres)	22,357	32,977
Total Cost (Rs. Lakhs)	1,911.71	2,470.50
Average rate (Rs./KL)	8,551	7,492

Excludes electricity duty paid on purchases

B. CONSUMPTION PER UNIT OF PRODUCTION

Particulars	Steel (per tonne)	Tubes (per tonne)	Cement (per tonne)	Bearings (per no.)	Ferro Alloys (per tonne)	Rings & Agrico (per no.)
Electricity (KWH)	502.00 (523.00)	217.28 (258.00)	48.75 (52.87)	1.51 (1.28)	3,686.75 (3,813.25)	1.05 (1.30)
Furnace Oil (Litres)	0.01 (0.00)				2.86 (6.91)	0.27 (0.25)
Coking Coal (Tonnes)	0.96 (1.02)					
Clinker			68.46 (69.84)			
Others :						
Light Diesel Oil (Litres)	6.88 (8.58)	6.00 (11.00)				
High Speed Diesel Oil (Litres)			1.36 (1.74)			

(Previous year's figures have been given in brackets and modified wherever necessary)

THE TATA IRON AND STEEL COMPANY LIMITED

Form - B

Form for disclosure of particulars with respect to Technology Absorption 1997-98.

Research and Development

1. Specific Areas in which R & D was carried out by the Company

Optimisation of grinding parameters at Chrome Ore Beneficiation Plant, Sukinda; Identification of new sources of coal; Process improvement in stamp charged Coke Oven Batteries; Development of new grades of steels; Mathematical modelling of processes to improve performance; Energy conservation and waste utilisation and Non-destructive testing.

2. Benefits Derived

A modified grinding circuit has been introduced at COB Plant, Bamnival, which has enhanced its capacity; Use of inexpensive imported semi-soft coal in the stamp charging blend as a part replacement of imported hard coal component has been established - it was also advocated to use this inexpensive semi-soft coal for blast furnace injection; Button hard coal has been established as a new alternative source of imported coal for use in cokemaking; Criticality of blocking of stamping hammers evolved to ensure zero cake breakage; High Silicon (-6.5%) electric steel for sophisticated use has been synthesized by chemical vapour deposition method (CVD) - chemical homogeneity with regard to silicon has been achieved; Interstitial Free (IF) grade steel released to market; CO₂ welding wire rods released; Semi-finished 'Si' free electrical steel conforming to M45 Grade has been developed; CRS-Modified through LD-CC (without LF) made - a newer composition for IS:1786 is on the anvil; Velocity profiles in the hearth of Blast Furnace have been correlated with the shape of the dead man using mathematical modelling to reduce wear of lining; A mathematical model for predicting the burden distribution in the 'G' Blast Furnace has been developed and installed at user site for better BF control; A mathematical model of LF process has been developed; An alternative frother, NALCO 8586 in place of pine oil, has been introduced in our West Bokaro Coal washeries since June 1997 and a technique for ultrasonic evaluation of HSM work rolls has been developed.

3. Future Plan of Action

Contribute to increased clean coal yield at West Bokaro; Increase productivity of Sinter Plants; Enhance energy effectiveness of Ferro Alloys plants at Bamnival; Production of very low P & IF grade steel for high flexibility; Production of CO₂ welding rods for direct drawing and Production of CRS through LD CC route.

4. Expenditure on R & D	(Rs. Crores)
(a) Capital	0.10
(b) Recurring	9.93
(c) Total	10.03
(d) Total R & D expenditure as a percentage of total turnover (%)	0.15

Technology Absorption, Adaptation and Innovation

1. Efforts made :

Progress was made during the year in the upgradation of technology and innovation in the following areas of Flat and Long Rolling - Production of IF grade steel for autobody exterior application, electrical grade for CRNO application for stampings replacing earlier high-silicon grades through ingot route, microalloyed BSK 46, a high strength cold forging grade for HCV chassis frame, WR-3 grade CO₂ welding wire, improved quality and production capability of NREQ steel for electrode wire, cost effective single conversion routes for 75mm special steel billets, improved dimensional tolerance for closed dia. automobile forging grades.

Improved utilisation of solid waste.

2. Benefits :

These developments have resulted in enlarging product basket of the Company, catering to the needs of specific customers. Over and above, the product quality and yield have improved resulting in superior cost competitiveness.

Decrease in specific raw material consumption and better Environmental Management with enhanced solid waste utilisation.

NINETY-FIRST ANNUAL REPORT 1997-98

3. Particulars of technology imported during the last five years :

Innovation/Technology	Year of Import/ Absorption	Status of Implementation
STEEL DIVISION		
(a) Coal injection in 'D' Blast Furnace (Klockner, Germany)	1993	Commissioned
(b) Ladle Furnace in LD Shop 2 (Demag, Germany)	1993	Commissioned
(c) Slab Caster (Davy - U.K.)	1993	Commissioned
(d) Stamp Charged Battery No. 6	1993	Commissioned
(e) Gleeble - 1500 - U.S.A. Thermomechanical Simulator	1993	Commissioned
(f) LD Shop No. 2 (VAI, Austria)	1994	Commissioned
(g) Coal Injection in 'G' Blast Furnace (Klockner, Germany)	1994	Commissioned
(h) Commissioning of Optical Emission Spectrometer and ARL-XRF Machine	1994	Commissioned
(i) Hot Strip Mill (Schloemann Siemag, Germany and Thyssen, Germany)	1994	Commissioned
(j) Slag Stopper (Monocon, U.K.)	1995	Commissioned
(k) By-product plant for Coke Ovens	1995	Commissioned
(l) Stamp Charged Battery No. 5 (Half Battery)	1995	Commissioned
(m) Shearing line (Bronx Engineering, U.K.)	1995	Commissioned
(n) Thyssen Blowing Metallurgy in LD2 Vessel (Thyssen, Germany)	1995	Commissioned
(o) Tar Injection in 'A' Blast Furnace	1995	Commissioned
(p) Tar firing in Maerz Kiln	1996	Re-commissioned
(q) RH degasser (Standard MESSO)	1996	Commissioned
(r) Technical Collaboration for Hot Rolling Technology with Thyssen Stahl, Germany	1996	Under Implementation
(s) Tar Injection at 'B' Blast Furnace	1996	Commissioned
(t) Use of Coke Oven Gas for increased hot blast temperature in Blast Furnace Stoves	1996	Commissioned
(u) Installation of softening, melting apparatus for simulation of Blast Furnace Processes	1996	Commissioned
(v) Tar Injection in "E" Blast Furnace	1997	Commissioned
(w) Lime dosing at Sinter Plant	1997	Commissioned
(x) HSM - capacity augmentation	1997	Under Implementation
(y) Upper Stack Gunning of "G" Blast Furnace	1997	Under Implementation
(z) Relocation of CC-2 at LD Shop	1997	Commissioned
(aa) Agreement with MIT, USA for Scientific and Technological exchanges	1997	Under Implementation
(ab) Technical Collaboration for iron making with Nippon Steel, Japan	1997	Under Implementation
(ac) Additional Oxygen enrichment at Blast Furnace	1998	Under Implementation
(ad) Lighting up of Battery 8 (Stamp Charged Battery)	1998	Under Implementation
CEMENT DIVISION		
(a) Vertical Roller Mills (M/s. Fuller Inc., USA)	1993	Commissioned
(b) Circular blending system for Coal (M/s. O&K, Germany)	1993	Commissioned
(c) Cement grinding with Roller press (M/s. KHD-Humboldt, Germany)	1993	Commissioned

THE TATA IRON AND STEEL COMPANY LIMITED

Annexure 'B' to Directors' Report

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation – Period for which post held
1	Adinarayana K.	52	Deputy Divisional Manager	3,19,954	2,39,378	M.I.E., M. Sc. (Engg.)	30	09-03-68	—
2	Agarwal B. K. Das	56	Divisional Manager	3,40,473	2,74,376	B.Sc. (Met. Engg.), M.I.E.	33	24-02-65	—
3	Agarwal Mohan Lal	53	Senior Divisional Manager	3,13,431	2,17,303	B.Sc. (Engg.), P.G.D.B.M.	30	23-10-67	—
4	Agnihotri R.L.	44	Deputy Divisional Manager	3,01,703	2,28,550	B. E. P.G.D.B.M.	21	19-03-77	—
5	Agrawal M.L.	49	Deputy Divisional Manager	3,05,771	2,41,383	B. Sc., M. Sc.	24	11-02-74	—
6	Ahmad Syed Israr	51	Deputy General Manager (P&IR)	3,09,650	2,13,345	Master Degree In Labour & Social Welfare	25	01-04-72	—
7	Ahmad M. Akhlaque	50	Divisional Manager (Proj. & Const.)	3,35,343	2,51,151	B.Sc. (Engg.) Mech.	32	01-10-66	—
8	Ahmed Ansar	57	Assistant General Manager (Energy & Economy)	3,57,651	2,60,680	M. Sc. Engg. (Mech.)	34	24-08-63	—
9	Ahuja H. C.	46	Divisional Manager	3,54,843	2,72,070	B.E. (Mech)	24	01-11-94	Tata Timken, Manager — 2 years
10	Ajmani Dr. J. L.	61	Deputy General Manager (Engineering)	4,30,392	3,03,680	B.E., M. Sc., Ph.D.	27	13-12-71	Roorkee University, Associate Professor — 1 year
11	Alexander T. C.	59	General Manager(Maintenance)	5,17,220	3,61,000	B.Sc. (Engg.) (Mech.), Dip. In Elect., Mech. & Met.	35	15-12-62	—
12	Ali Sabir	50	Deputy Divisional Manager	3,27,294	2,56,485	B.E.M. Tech	24	24-12-73	—
13	Annamalai G.	53	Senior Divisional Manager	3,02,087	2,16,055	B.E.(Mech.), P.G.D.B.M.	30	30-12-67	—
14	Ansari N. A.	46	Senior Divisional Manager	3,47,213	2,40,166	B.Sc., B.Sc. Engg. (Mech.)	23	28-12-74	—
15	Anthony Oscar Joseph	48	Senior Divisional Manager (Personnel)	3,45,494	2,39,283	B.A.(Hons) Eco., P.G. Dip. I.R.&W,26 Specialised In P.M., Factory Welfare Officer Certificate	26	15-09-71	—
16	Arora S. K.	52	Divisional Manager	3,40,124	2,54,898	M.Sc. (Engg.)	28	26-04-69	—
17	Bahadur Dr. A. S. J.	49	Associate Specialist (General Surgery)	3,40,152	2,47,309	M.B.B.S., M.S. (Gen. Surgery)	21	16-03-77	Mercy Hospital, R.M.O., — 6 months
18	Bahadur Umesh	54	Assistant General Manager	3,35,410	2,32,957	B.Sc. Engg., P.G.D.B.M., Ph.D.	31	13-11-66	—
19	Bahadur Satyendra	57	Divisional Manager	3,00,617	2,23,390	B.Sc. Dip-Engg. M.B.A.	37	26-12-60	—
20	Bajjal A. D.	50	Deputy General Manager (OMQ)	4,00,528	2,79,480	B.Sc. Engg. (Met.), P.G.D.B.M.	28	13-12-69	—
21	Bajjal Sharad	41	Divisional Manager	3,13,342	2,38,515	B.Sc. (Engg.) P.G.D.B.M.	16	01-07-81	—
22	Baksi Subir Kumar	47	Assistant Divisional Manager	3,28,865	2,47,284	B.E. (Elect.)	18	06-04-79	M.A.M.C. Ltd., Asst. Engineer – 5 years
23	Balasubramanian R.	47	Assistant General Manager (Treasury)	3,62,325	2,62,125	B.Sc., A.C.A.	24	25-10-74	M/s. Fraser & Rose, Chartered Accountants, Qualified Assistant – 1 year
24	Balasubramanian V.	54	Assistant General Manager (Sinter Plants)	3,77,465	2,61,491	B.E.	33	27-06-64	—
25	Balsara Dr. A. B.	56	Senior Specialist (Medicine) & Head of The Department	4,05,752	2,71,288	M.B.B.S., M.D.	22	31-07-80	Indira Gandhi Corpn. Medical College, Prof. & H.O.D. of Medicine — 5 years
26	Balsara Dr. (Mrs) R. A.	49	Chief Family Planning Manager	3,70,203	2,67,075	M.B.B.S., M.D., D.I.C.O.G.	20	31-10-80	Empress Mills Nagpur, Industrial Physician, — 3 years – 6 months
27	Bandyopadhyay M. K.	54	Manager	3,08,228	2,52,190	LME	30	25-05-67	—
28	Banerjee A. K.	49	Divisional Manager	3,03,673	2,02,273	B.Sc. (Mech.), P.G.D.B.M.	25	25-08-73	Bokaro Steel Plant, Technical Assistant — 6 months

NINETY-FIRST ANNUAL REPORT 1997-98

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation - Period for which post held
29	Banerjee T. D.	42	Divisional Manager	3,31,049	2,43,749	B.Tech. (Hons.) Mech. Engg. M.Tech. (Industrial Engg. & Operations Research)	16	01-09-82	Usha Martin Black Ltd., Ranchi, Executive Trainee, - 1 year - 1 month
30	Banerjee S.	41	Assistant Manager	3,01,560	2,47,347	AMIE	19	23-05-78	—
31	Banerjee Aniruddha	45	Senior Divisional Manager (Accounts)	3,34,775	2,42,970	B.Com., C.A.	19	02-04-79	—
32	Banerjee Rabi Shanker	40	Assistant Divisional Manager	3,01,356	2,43,069	B.Sc.(Engg.) Dip-Engg., P.G.D.B.M.	15	01-08-82	—
33	Banerjee Dr. Champak Kumar	41	Senior Specialist	3,06,783	2,25,676	M.B.B.S., M.D. (Anaesthesia)	9	12-11-91	Gandhi Memorial Hospital, Anaesthesia - 3 years
34	Bangabas Manas Kumar	57	Assistant Divisional Manager	3,21,922	2,43,100	Mechanical Engineering	40	21-09-57	—
35	Bapat J. P.	54	Assistant General Manager	3,93,006	2,62,204	B.Tech. (Hons.) Mech., M.B.A., Dip. in Steel Plant Technology	31	12-11-66	—
36	Basha M. J.	57	Deputy General Manager(PG)	3,53,180	2,34,617	B.E. (Hons.) Mech.	35	15-12-62	—
37	Basu Dr. Sobhan Bhanu	50	Senior Specialist (Obst. & Gynaecology)	3,96,838	2,47,301	M.D., M.R.C.O.G.	6	21-06-91	—
38	Basu Rathindra Nath	57	Deputy Divisional Manager	3,04,729	2,25,149	B.Sc., AIIM, M.Tech. (Met.)	37	26-12-60	—
39	Basu Ranjit	45	Marketing Manager (Seamless)	3,05,726	2,13,618	B.E.(Met), Dip. in I.E.	22	31-07-75	—
40	Basu Arabinda	52	Deputy Divisional Manager(P)	3,44,962	2,67,279	B.E. Mining Engg.	21	01-12-76	—
41	Bhaduri Rupam	36	Assistant Divisional Manager	3,05,486	2,41,958	B.Tech. (Hons.) Mech., M.B.A.	13	01-07-84	—
42	Bharat Dr. (Mrs) V.	44	Specialist	3,92,021	2,64,514	M.B.B.S., M.D.	19	26-07-78	—
43	Bharat Dr. R.	49	Senior Specialist (Plastic Surgery)	4,12,773	2,89,406	M.B.B.S., M.S. (Surgery), M.Ch. (Plastic Surgery)	20	13-07-77	—
44	Bharty B.	56	Assistant Divisional Manager	3,15,603	2,39,604	I.Sc., Mech. Engg. Part A	36	06-11-61	—
45	Bharthania (Mrs.) A. D.	58	Deputy Divisional Manager	3,00,919	2,15,040	B.A., L.L.B.	36	01-11-61	—
46	Bhaskar S.	40	Deputy Divisional Manager	3,04,872	2,30,813	B.E.	16	01-07-81	—
47	Bhat Dr. M. N.	51	Senior Specialist (General Surgery)	3,82,155	2,58,604	M.S. (General Surgery)	24	14-04-73	—
48	Bhatnagar Dr. S. K.	55	Senior Registrar	3,22,627	2,34,905	M.B.B.S.	28	18-08-69	—
49	Bhattacharjee Dr. T.	51	Senior Specialist Surgeon	3,33,176	2,47,456	M.S. (Cal)	9	02-04-88	—
50	Bhattachamishra Dr. P. K.	47	Associate Specialist	3,35,889	2,35,514	B.Sc., M.B.B.S., M.D.	20	19-05-77	—
51	Bhattacharjee G. S.	56	Manager	3,37,666	2,61,166	LEE	30	09-05-67	—
52	Bhattacharjee A. K.	54	Deputy Divisional Manager	3,01,846	2,30,360	B.Sc. Diploma, M.Sc. (Engg.)	27	06-07-70	—
53	Bhattacharya S.	46	Deputy Divisional Manager	3,16,359	2,40,300	B.Sc. (Engg.)	22	20-03-76	—
54	Bhattachamishra Dr. A.B.	37	Associate Specialist	3,12,224	2,46,377	M.D., M.B.B.S.	13	16-11-84	—
55	Billimoria H.J.	47	Deputy Manager	3,05,833	2,29,083	B.Sc.	26	18-03-72	—
56	Bose Anup Chandra	54	Assistant Director	3,48,787	2,36,231	B.A. (Hons.Econ.), P.G.D.M.	33	01-04-65	—
57	Bose Dr. A.	55	Senior Registrar	3,09,666	2,31,382	M.B.B.S.	32	01-03-66	—
58	Chadha M. L.	58	General Manager (Logistics)	5,51,972	3,81,900	B.E. (Hons.) (E), P.G.D.B.M.	32	28-05-65	—
59	Chakraborty Sandipan	48	Executive-In-Charge (FA & MD)	5,86,383	3,90,852	B.Tech. (Hons.) Mech., M.Tech. (IE&OR)	25	01-10-75	Shalimar Paints, Management Assistant - 3 years
60	Chakravarty D. N.	56	Chief Marketing Manager (Rings & Agrico)	3,33,650	2,20,855	B.Tech. (Hons) In Metallurgy Engg.	33	27-06-64	—
61	Chakravarty S. P.	58	Assistant Divisional Manager	3,38,016	2,60,103	B.Sc.	37	26-12-60	—
62	Chakravarth Dr. Somen	35	Associate Specialist (Radio-Diagnosis)	3,10,285	2,37,450	M.B.B.S., M.D.	3	01-12-94	—
63	Chakravarty D.	49	Senior Divisional Manager	3,02,087	1,98,373	B. Com. (Hons), C.A.	11	02-07-86	—
64	Chandrasekharan B. S.	48	Divisional Manager	3,30,993	2,44,526	B.E. (Hons), M.E., P.G.D.B.M.	25	02-10-72	—
65	Chandra Dr. Sanjay	37	Deputy Divisional Manager	3,08,560	2,36,185	B.Tech. Ph. D.	14	08-08-83	—
66	Chandra Dr. P.	47	Senior Registrar	3,03,436	2,30,160	M.B.B.S.	18	01-08-79	—
67	Chandra Dr. Subhas	48	Senior Specialist (Pathology)	3,39,555	2,59,347	B.Sc. (Math), M.B.B.S., DCP. M.D. (Path & Bact)	10	16-06-88	—

THE TATA IRON AND STEEL COMPANY LIMITED

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation - Period for which post held
68	Chatterjee Dr. Amit	53	Technical Director	5,24,057	3,75,031	M.Sc., Ph.D.	25	10-07-72	—
69	Chatterjee L. M.	62	Deputy General Manager (Iron Making)	5,05,217	3,44,764	B.E. (Met.)	39	27-12-58	—
70	Chatterjee P.	57	Assistant General Manager (Tech.)	3,87,246	2,68,855	B.E.	33	31-10-64	Bridge & Roof Co. Barauni, Trainee Engineer - 1 year
71	Chatterjee T.K.	51	Assistant Divisional Manager	3,26,191	2,49,486	AMIE Dip-Engg.	30	29-03-68	—
72	Chatterji Kalyan	44	Senior Divisional Manager	3,50,742	2,68,530	B.Sc.(Engg.) Dip-Engg. P.G.D.B.M.	20	09-01-78	—
73	Chatterjee J. K.	55	Divisional Manager	3,03,442	2,16,055	B.Sc., B.Met., MIB	34	03-06-63	—
74	Chaturvedi U. K.	48	Assistant General Manager (S. & PM.)	3,51,120	2,43,892	B.Sc.	28	25-10-69	—
75	Chaudhury B. N.	55	Assistant General Manager	3,39,776	2,39,230	B.Sc. (Engg.) Electrical, P.G. Dip. in Ferrous Metallurgy	34	23-08-63	—
76	Chaudhury A.	44	Senior Divisional Manager	3,61,862	2,69,956	B. Tech.	20	12-05-80	Telco, Pune, Assistant Engineer - 2 years
77	Chaudhuri A.	58	Chief Marketing Manager	3,45,635	2,35,440	B.A.	34	01-03-64	—
78	Chawla D. K.	54	Assistant General Manager	3,65,880	2,68,580	M.Sc., AISM. (Appd.Geol)	33	01-07-64	—
79	Chawla Dr. S. C.	55	Senior Specialist (Pathology) & Head of The Department	3,91,245	2,87,476	M.B.B.S., M.D.	24	25-01-74	—
80	Chawla Dr. (Mrs.) Shashi	53	Registrar	3,18,468	2,45,752	M.B.B.S.	11	01-01-87	—
81	Chehna A. S.	49	Senior Divisional Manager	3,01,961	2,10,505	B.Sc., P.G.D.B.M.	24	01-09-75	J.N. Marshall & Co., Executive Officer - 2 years
82	Chhibber N.C.	57	Senior Divisional Manager	3,05,616	2,31,355	M.A., L.L.B.	5	08-02-93	—
83	Chinoy Capt. D. P.	52	Pilot	6,57,990	4,78,705	M.Sc., Jr. & Higher Command Course, Air Crew Indoctrination Course, Jungle & Snow Survival Course, Air Line Transport Pilot licence	36	05-02-90	Indian Air Force, Air Defence Sector Commander, Station Commander, Group Captain, - 28 years
84	Choubey Janardan	59	Deputy Manager	3,17,584	2,36,651	Dip-Engg.	39	08-01-59	—
85	Choudhary Dr. R. S.	54	Specialist(Medicine)	3,67,106	2,58,493	M.B.B.S., M.D. (Medicine) D.T.M.&H.	27	19-11-70	—
86	Choudhury A.	50	Senior Divisional Manager	3,52,305	2,60,755	B.Tech. (Hons), P.G.D.B.M.	29	21-12-68	—
87	Choudhury Joydeb Roy	55	Manager	3,23,920	2,43,650	AMIE, LEE	32	03-05-65	—
88	Choudhary Prafulla Kumar	44	Deputy Divisional Manager	3,01,396	2,20,751	B.Sc. (Engg.)	23	26-12-74	—
89	Choudhary P.C.	44	Deputy Divisional Manager	3,04,846	2,42,460	B.E. (Mech.)	22	20-03-76	—
90	Chowdhary D.M.	46	Divisional Manager	3,12,560	2,24,370	B.Sc. (Engg.) P.G.D.B.M.	22	20-03-76	—
91	Das Binod Kumar	40	Divisional Manager	3,23,343	2,29,120	B.Tech.(Hons), Mech. Engg.	17	01-08-80	—
92	Das B. B.	42	Divisional Manager	3,04,077	2,47,042	B.A. English (Hons) Dip. in Social Work	1	22-04-96	—
93	Das Dr. D. D.	50	Chief Medical Officer	3,18,883	2,29,550	M.B.B.S., M.D. (Path.)	17	12-03-81	—
94	Das Dr. N. K.	47	Senior Specialist (Cardiology) & Head of The Department	4,20,260	2,77,204	M.B.B.S., M.D., D.M.	15	29-01-83	—
95	Das Dr. S. K.	55	Specialist	3,74,147	2,68,405	M.B.B.S., M.S.	28	02-09-69	—
96	Das Dr. S. K.	58	Senior Registrar	3,43,795	2,50,057	M.B.B.S.	33	17-02-65	—
97	Das Dr. Snehanshu K.	56	Senior Specialist & HOD (ENT)	3,27,633	2,34,745	M.S., M.B.B.S.	30	28-03-68	—
98	Das Dr. (Mrs.) Hemlata	51	Registrar	3,15,146	2,45,716	M.B.B.S.	24	13-12-73	—
99	Das Dr. Achintya Kumar	46	Senior Divisional Manager	3,13,179	2,29,671	B.E.M. Tech., Ph.D.	21	22-07-76	—
100	Das Dr. Anil Kumar	55	Deputy Chief Medical Officer	3,50,957	2,65,351	M.B.B.S.	28	20-03-70	—
101	Das Gupta A.	56	Assistant Divisional Manager	3,14,902	2,33,397	B.E.	23	07-03-75	—
102	Das K.	51	Assistant Divisional Manager	3,03,601	2,32,456	B. Sc. (Engg.)	27	08-09-70	—
103	Das Pradip Kumar	40	Deputy Divisional Manager	3,17,466	2,37,637	B.Sc. (Elect. Engg.)	17	01-08-80	—
104	Das P. R.	54	Chief of Security	3,12,605	2,24,725	B.Sc. Part I	29	30-12-68	—
105	Das S. K.	47	Deputy Divisional Manager	3,05,965	2,32,439	B.Sc. Engg. (Mech.), P.G.D.B.M.	25	03-10-72	—

NINETY-FIRST ANNUAL REPORT 1997-98

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106	Das Sankar Baran	49	Divisional Manager	3,28,952	2,38,832	B.Sc. (Engg.)	24	30-04-73	—
107	Das Sidhartha	48	Deputy Divisional Manager	3,17,115	2,40,152	B.E.	23	02-09-74	—
108	Dasgupta Dr. G. P.	59	Controller of Establishment	3,54,527	2,42,530	M.A.(LSW), B.L., M.A. (ECO.), P.G.D.B.M., Ph.D.	33	01-01-66	Raneegunje Coal Association Ltd., Kustore Personnel Officer, — 10 months
109	Dasgupta Subodh	58	Assistant Divisional Manager (CCP)	3,48,364	2,64,580	B.Com., A.I.C.W.A.	24	22-06-73	—
110	Dasgupta Dr. B	52	Senior Research Officer	3,06,384	2,32,880	B.Sc., M.Sc. Ph.D.	11	28-08-86	—
111	Dash Dr. B.	45	Specialist (Pathology)	3,02,251	2,26,709	M.B.B.S., M.D. (Pathology)	18	20-08-86	Sir Gangaram Hospital, Delhi Sr. Pathologist — 1 year
112	Dastur R K	60	Manager	3,12,234	2,43,370	B.Sc., P.G.D.B.M.	37	26-12-60	—
113	David T.S.	50	Assistant Divisional Manager	3,22,070	2,48,958	Dip. in Met.	28	30-12-69	—
114	De Dr. S.	49	Registrar	3,15,496	2,36,680	M.B.B.S., D.G.O.	18	11-11-81	Mercy Hospital, R.M.O. — 2 years
115	Deepak D. Singh	51	Divisional Manager (S & Env.)	3,00,684	2,22,532	B.Tech. (Mining), M. Tech. (Mining)	6	11-03-92	—
116	Deoras S. L.	46	Principal Executive Officer	6,67,304	4,61,490	B.E. (Mech.)	22	29-12-75	—
117	Dey D. K.	61	Director (FI & SS)	3,39,902	2,39,130	M.Sc.	31	09-09-68	Tata Electric Companies, Mumbai, Sr. Administrative Officer — 2 years
118	Dhillon A. S.	56	General Manager (Energy & Environment)	6,42,224	4,40,181	B.Sc. (Hons), Mech.	35	15-12-62	—
119	Divakaran N.	56	Deputy Divisional Manager	3,07,020	2,27,092	Dip. In Elect. Engg. & Industrial Engg.	35	10-07-62	—
120	Dua Dr. Sudhir Kumar	46	Specialist	3,35,817	2,43,439	M.B.B.S., D.A., M.D.(Anaes.)	9	16-10-89	S.D. Medical Institute Muzaffarnagar, Consultant Anaesthetist — 1 year Telco, Specialist — 6 months
121	Dubey Dr. P. K.	56	Specialist(Medicine)	3,30,090	2,35,099	M.B.B.S., M.D. (Medicine)	33	21-02-65	—
122	Dubey Shital Prasad	57	Manager	3,37,191	2,63,433	B.Sc. (Hons)	36	05-02-62	—
123	Dubey C.R.	56	Senior Divisional Manager	3,24,524	2,36,508	B.Sc. (Engg.), P.G.D.B.M.	34	24-08-63	—
124	Dubey Dr. K P	42	Associate Specialist	3,52,607	2,64,425	M.B.B.S., M.S.	11	02-06-86	—
125	Duggal Kamal	49	Deputy Divisional Manager	3,15,510	2,37,834	B.Sc.	28	21-06-69	—
126	Dunne D	51	Senior Divisional Manager	3,01,961	2,17,780	B.Tech., P.G.D.B.M.	23	01-10-74	—
127	Dutta Dr. Manisha	51	Specialist	4,08,467	2,85,642	M.B.B.S., M.D.	21	02-08-82	Tripura Health Service, Agartala, Medical Officer — 6 years
128	Dutta Nikhil Kumar	54	Manager	3,17,490	2,40,040	Dip. In Mech. Engg. & Industrial Engg.	37	31-12-60	—
129	Dutta S.S.	58	Divisional Manager	3,12,204	2,29,082	B.Sc., B.Sc. (Engg.) P.G.D.B.M.	25	30-12-72	—
130	Dutta H.B.	44	Deputy Divisional Manager	3,04,577	2,38,150	B.E., M.Tech.	18	22-01-80	—
131	Dutta K.	55	Deputy Divisional Manager (Engg.)	3,17,495	2,35,374	B.Sc., Diploma in Engg. AMIE	36	25-10-61	—
132	Dwivedi B.B.	45	Divisional Manager	3,04,760	2,23,225	B.Sc. (Engg.)	21	03-04-77	—
133	Ekambaram C. S.	59	General Manager (Engineering)	7,02,531	4,78,537	B.E. (Elect.)	38	19-12-59	—
134	Elijah N.	35	Divisional Manager (Corporate)	3,42,621	2,44,042	B.Tech (Met), I.I.T. Mumbai	12	01-07-85	—
135	Fasihuddin Md.	60	General Manager (Ore Mines & Quarries)	6,48,180	4,41,371	B.E. (Mining), 1st Class Mines Mgr.s Certificate	36	22-06-61	—
136	Francis K. C.	51	Deputy Divisional Manager	3,00,216	2,27,281	DME, MIE (India)	28	26-04-69	—
137	Gabba (Mrs) Katy T.	48	Assistant Divisional Manager	3,17,115	2,40,749	B.Com., M. Com.	5	01-04-93	—
138	Gandhi Dr. K. M.	52	Senior Specialist	3,52,872	2,49,289	M.B.B.S., M.S. (General Surgery), F.R.C.S.,UK	24	01-05-73	—

TATA STEEL COMPANY LIMITED

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation - Period for which post held
139	Ganesan K. V.	59	Executive-In-Charge (Cement Division)	4,98,998	3,18,030	B.Tech. (Hons), Dip. in S.Q.C. & O.R.	36	15-12-89	Larsen & Toubro Ltd. Awarpur Cement Works General Manager - 6 years
140	Ghosh D. K.	59	Deputy Divisional Manager	3,12,766	2,39,140	Dip. in Mech. Engg.	38	06-01-60	—
141	Ghosh P. K.	47	Deputy General Manager (Accounts)	4,95,872	3,42,705	B.Com. (Hons), A.I.C.W.A., A.C.S.	24	04-06-73	—
142	Ghosh Bidyut Kumar	52	Senior Divisional Manager	3,06,429	2,21,830	B.Tech.	28	30-06-69	—
143	Ghosh Biplob	54	Divisional Manager	3,26,455	2,40,784	B.E., M.E.	28	30-03-70	—
144	Ghosh N. K.	55	Chief-Support System	3,40,125	2,36,278	B.E. (Met)	16	18-01-82	—
145	Goel S.S.	53	Deputy Divisional Manager	3,01,840	2,29,590	M.A., M.B.A.	25	16-08-72	—
146	Goel N. K.	54	Divisional Manager (Purchase & Stores)	3,47,856	2,52,356	B. Sc., B.E. (Mech)	31	01-10-66	—
147	Goenka Rajeev	40	Divisional Manager	3,01,616	2,27,520	B.Sc. (Engg.), P.G.D.B.M.	3	23-05-94	—
148	Gondal Dr. Pramod Kumar	42	Specialist	3,77,817	2,80,544	M.B.B.S., M.S. (Gen. Surgery)	13	24-12-91	Hindustan Aeronautics Ltd. Nasik Medical Superintendent - 7 years, 6 months
149	Gopalkrishnan M.	56	Divisional Manager (Purchase)	3,10,018	2,24,005	B.Sc. (Mech.)	30	13-05-68	—
150	Gopalakrishnan T.S.	52	Assistant Divisional Manager (Accounts)	3,07,320	2,42,248	B.Sc. P.G.D.B.M., ICWA (Inter.)	29	09-11-68	—
151	Gopal A.	53	General Manager (Cr. Technology)	1,93,119*	1,57,673	B.E., M.B.A.	30	16-08-97	Nagarjuna Steel, VP - 4 years, 5 months
152	Gope N.	49	Deputy Divisional Manager	3,18,032	2,49,100	B.Sc. (Engg.) Ph.D.	25	07-12-72	—
153	Guha A.	47	Assistant Divisional Manager	3,05,419	2,37,825	B.Sc. (Engg.)	20	09-01-78	—
154	Gupta Dr. G.	46	Deputy Chief Medical Officer	3,31,223	2,36,299	M.B.B.S., D.L.O., M.S. (ENT.)	19	01-10-82	J.N. Medical College, Demonstrator - 3 years
155	Gupta Dr. A. K.	52	Specialist	3,62,026	2,51,258	B.Sc., M.B.B.S., M.D., D.P.M., L.F.I.P.S.	23	16-08-76	Bokaro Steel Ltd., Jr. Medical Officer - 1 year 6 months
156	Gupta Dr. P. K.	44	Senior Specialist(Paediatrics)	3,38,614	2,34,744	M.B.B.S., D.C.H., M.D. (Paediatrics)	15	12-06-87	Hindustan Copper Ltd. Asst. Chief Medical Officer - 4 years - 7 months
157	Gupta K. K.	59	Assistant Divisional Manager	3,01,989	2,29,841	Dip-Engg.	36	20-03-62	—
158	Gupta D.	55	Senior Divisional Manager	3,55,336	2,67,308	B.E.	33	31-10-64	—
159	Gupta Avneesh	34	Deputy Divisional Manager	3,09,409	2,34,710	B. Tech., P.G.D.B.M.	11	01-07-86	—
160	Gupta Dr. S.S.	52	Senior Divisional Manager	3,22,285	2,42,126	B.E., Ph.D. P.G.D.B.M.	9	01-10-88	—
161	Gupta S. K.	51	Executive-in-Charge (TKM-Div.)	5,88,058	4,05,500	B. Tech. (Hons.) P.G.D.B.M. (IIMC)	27	15-05-70	—
162	Gupta V. K.	50	Divisional Manager	3,25,392	2,47,868	D. M. E.	28	13-10-78	Motor Ind. Co. Ltd., Inspection Foreman - 4 years
163	Handa Dr. Pushap Raj	40	Specialist (Gyn.)	3,48,084	2,65,867	M.B.B.S., M.D., F.I.C.O.G.	8	01-01-91	Dg ICMR, N. Delhi, Research Associate - 1 year - 6 months
164	Haque M. P.	46	Divisional Manager (I. Engg.)	3,27,384	2,43,013	M.Sc. (Engg.), Ind. Engg.	18	16-10-80	—
165	Hussain I.	50	Senior Vice-President & Executive Director (Finance)	27,10,772	17,13,300	B.A. (Hons.), F.C.A. (England & Wales)	25	01-04-83	Indian Tube Company Ltd., Finance Director - 10 years
166	Hegde G. G.	56	Chief Marketing Manager	3,69,713	2,65,716	B..E., (Mech), Dip. in Metallurgy	33	02-11-64	Mukand Iron & Steel Ltd., Mumbai, Graduate Engineer - 5 months

REPORT-2008-2009

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation - Period for which post held
167	Hussain Syed Manzer	47	Director of Sales	5,29,120	4,32,383	B.Tech. (Hons) Met., P.G.D.B.M	25	03-10-72	
168	Irani Dr. J. J.	61	Managing Director	36,18,955	24,29,556	Ph.D. (Sheffield), M.Met (Sheffield) M.Sc.	35	13-01-68	British Iron & Steel Research Association (Sheffield), Group Leader, - 3 years
169	Jaganath N.	48	Manager	3,17,171	2,46,384	B.Sc. (Engg.), M.B.A.	24	14-01-74	—
170	Jagannathan G.	48	Chief of Total Quality and Re-Engg.	3,72,777	2,65,314	B.E.M.Tech.	10	04-02-88	—
171	Jaganath Dr. (Mrs.) Geetha	44	Specialist (Paediatrics)	3,39,047	2,60,586	M.D., M.B.B.S.	7	07-07-90	—
172	Jain Dr. P.C.	58	Senior Specialist & HOD (Ophthalmology)	3,38,778	2,32,717	M.S., M.B.B.S.	25	11-08-72	—
173	Jaiswal B.B.	58	Divisional Manager	3,15,986	2,26,190	Dip-Engg	35	06-07-62	—
174	Jamaluddin	58	Manager	3,06,009	2,38,795	B.Sc., Dip. In E.E.	38	24-11-59	—
175	Jana Dr. M	50	Senior Registrar	3,08,837	2,30,617	M.B.B.S.	22	01-10-75	—
176	Jayaram K	51	Deputy Divisional Manager	3,21,166	2,39,710	B.Sc. (Engg.)	14	12-03-84	—
177	Jayaraman R.	46	Senior Divisional Manager	3,06,429	2,22,055	B. Tech., Diploma M.S., M.B.A.	14	01-12-83	—
178	Jha Dr. B. N.	51	Senior Specialist (Medicine)	4,05,608	2,76,222	M.B.B.S., M.D., M.R.C.P. (UK)	21	10-10-77	Heavy Engg. Corpn., Physician, 8 Months
179	Jha G. J.	45	Divisional Manager	3,13,629	2,28,230	B.Sc. Engg., (Mech.)	23	28-12-74	—
180	Jha H. K.	48	Executive-in-Charge (Bearing Division)	5,69,483	4,13,484	B.E. (Mech.)	22	29-12-75	—
181	Jha Nishi Kant	59	Deputy Manager	3,06,784	2,38,560	B.Sc.	36	05-02-62	—
182	Jha P. K.	54	Deputy General Manager (Corporate Accounts)	5,14,872	3,63,649	B.Com. (Hons), A.C.A.	30	24-05-67	—
183	Jha P. N.	52	Divisional Manager	3,19,704	2,32,353	B.Sc. (Engg.)	27	04-05-70	—
184	Jha Pashupati	46	Assistant Divisional Manager	3,00,049	2,29,307	B.Sc. (Engg.)	22	02-06-75	—
185	Jha S. M.	45	Deputy Divisional Manager	3,04,872	2,30,956	B.Sc. (Engg.), P.G.D.B.M.	19	15-05-78	—
186	Jha S. N.	48	Divisional Manager	3,33,742	2,47,640	B.E.	25	03-10-72	—
187	Jha Umakant	57	Deputy Divisional Manager	3,19,384	2,42,394	B.Sc. (Engg.)	33	27-06-64	—
188	Jha Uttam	35	Assistant Divisional Manager	3,04,736	2,31,433	B.Tech. (Mech)	12	29-06-85	—
189	Jha Varun Kumar	46	Director (Information Technology Services)	3,86,961	2,74,891	B.Tech. (Hons), P.G.D.B.M.	25	03-10-72	—
190	Jhanji R. L.	57	Divisional Manager (Mines)	3,10,996	2,20,943	Dip in Mining	38	02-01-60	—
191	Johri Dr. Anil Kumar	57	Senior Specialist (Anaesthesia)	3,69,975	2,50,078	M.B.B.S., D.A., M.S.	26	06-02-76	M.L.N. Medical College, Allahabad, Lecturer - 4 years, 5 months
192	Joshi Santosh Kumar	44	Senior Divisional Manager	3,63,690	2,45,372	B.Tech., (Mech.), P.G.D.B.M.	18	20-07-79	—
193	Joshi Savitri Devi	51	Senior Specialist	3,27,526	2,45,336	M.B.B.S., DGO, M.S.	10	18-06-88	—
194	Kabiraj Dr. Manas	44	Specialist (O & G)	4,28,908	2,96,289	M.B.B.S., M.D. (Obst. & Gyn.)	16	27-09-82	Rameshwar Lal Singhania Seva Partisthan Dy. Medical Supdt. - 1 year
195	Kale S. V.	57	Director (Synergy & Capital Planning)	4,65,042	3,27,886	M.Sc, M.M.S., D.M.A.	17	03-07-81	Tata Robins Fraser Ltd., Principal Executive Officer, - 1 year, 2 months
196	Kamath B. P.	60	Assistant General Manager (Synergy)	1,01,288*	93,975	B.E. (Mech.), P.G.Dip. (Ins.)	38	19-12-59	—
197	Kanchan Dr. H. S.	59	Chief Medical Officer	3,71,199	2,64,006	M.B.B.S., M.S., D.C. (London), F.I.C.S.	26	31-05-71	—
198	Kapoor Dr. Ashok	40	Senior Specialist (Radiology) & Head of The Department	3,96,585	2,63,887	M.B.B.S., M.D., D.M.R.T.	11	16-07-86	—
199	Kapoor Satish Kumar	52	Chief Sales Manager	3,17,197	2,23,343	B.Tech. (Met.)	31	24-10-66	—
200	Kapoor P. K.	44	Divisional Manager (Accounts)	3,01,616	2,30,935	B. Com., A.C.A.	18	29-08-79	—
201	Kapur Kuldeep Chand	59	Deputy Divisional Manager	3,14,703	2,35,115	B.Sc., M.Sc., Diploma (Mech.)	37	26-12-60	—

THE TATA IRON AND STEEL COMPANY LIMITED

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation - Period for which post held
202	Kar Dr. (Mrs) M.	59	Specialist	3,95,553	2,87,763	M.B.B.S., D.T.M. & H. D.R.C.O.G., F.R.C.O.G.	22	01-11-76	Konnagore Matrisadan (Municipality), Surgeon Supdt. - 1 year, 7 months
203	Kar Sibabrata	50	Deputy Divisional Manager	3,02,460	2,28,820	B.Sc. Engg. (Mech.), M.Sc. Engg. (Mach. Design)	27	27-01-71	—
204	Karan Girja Nand	60	Deputy Divisional Manager	3,24,334	2,46,320	B.Sc. Engg.	39	27-12-58	—
205	Karanwal Vijay	54	Senior Divisional Manager (Cement Division)	3,10,482	2,21,970	B.E. (Mech.)	35	01-12-93	Simplicity (Proj) Pvt. Ltd. N. Delhi, General Manager - 1 year, 4 months
206	Kedia B. Chand	46	Assistant Divisional Manager	3,01,446	2,30,212	B. Sc. (Engg.)	23	14-12-74	—
207	Khan M. S.	43	Deputy Divisional Manager	3,03,014	2,29,630	B.E. (Metallurgy)	20	22-02-78	—
208	Khandelwal R.	49	Executive-in-Charge (Rings & Agrico)	3,46,431	2,45,680	B.Com., A.C.A.	22	01-09-75	—
209	Khanna J. C.	60	Deputy General Manager (Modernisation)	4,12,561	2,83,105	B.Sc. (Hons)(Elect.)	37	24-12-60	M.P. Govt., Lecturer, - 6 months
210	Kharla Vijay Kumar	50	Deputy Divisional Manager (Mines)	3,38,026	2,52,023	B.E. (Mining), First Manager's Certificate of Competency	27	12-01-71	—
211	Kharkar Hemant C.	41	Assistant General Manager (CRM)	3,13,431	2,15,906	B.E., P.G.D.B.M.	18	22-01-80	—
212	Khosla Dr. A.	44	Deputy Resident Medical Officer	3,19,161	2,23,678	M.B.B.S., A.D.H.A.	17	05-05-80	—
213	Kishore L. Nanda	47	Assistant Divisional Manager	3,22,266	2,43,497	B.Sc., M.Sc.	23	15-03-75	—
214	Kochhar V. R.	59	Senior General Manager (Coal)	9,04,534	6,13,835	B.Sc. (Elect. Engg.)	38	19-12-59	—
215	Kolay S. K.	44	Divisional Manager	3,06,011	2,20,100	B.Stat, M.Stat, P.G.D.B.M.	24	05-02-74	—
216	Krishnaswamy N.	59	Deputy General Manager (Power)	4,89,372	3,37,930	B.Sc. Engg. (Mech.)	38	19-12-59	—
217	Krishnaiah Dr. K. S. R.	60	Senior Divisional Manager	3,28,108	2,40,505	M.Sc., Ph.D.	34	25-10-63	—
218	Krishna Rao Dr. V. V.	57	Deputy Divisional Manager	3,16,359	2,47,515	B.Sc., Ph.D., M.Sc.	23	22-08-74	—
219	Krishna O. B.	45	Senior Divisional Manager	3,13,431	2,22,580	B.Tech., M.Sc. (Engg.)	21	03-04-77	—
220	Krishnamurti A.	47	Divisional Manager (Accounts)	3,06,028	2,29,112	B.Sc., A.C.A.	22	01-11-76	M/s. Lovelock & Lewes, Jr. Qual. Asst. - 1 year
221	Kudtarkar (Mrs) S. S.	39	Company Secretary	3,22,764	2,33,798	B.Com., A.C.A., F.C.S.	15	08-03-82	—
222	Kumar Arun	42	Divisional Manager	3,42,456	2,51,022	M.Sc. (Industrial, Psychology), M.B.A. (Pers. & I.R.)	17	25-10-95	SAIL, Rourkela Steel Plant, Bokaro Steel Plant, Dy. Chief Personnel Manager - 15 years, 3 months
223	Kumar Ashok	55	Assistant Divisional Manager	3,07,766	2,32,666	I.Sc., Dip. in Refractories Engineering	37	25-02-61	—
224	Kumar B. C.	51	Senior Divisional Manager (Security)	3,29,435	2,26,815	M.A. (Criminology)	30	10-01-68	—
225	Kumar Dr. Anil	45	Divisional Manager	3,89,844	2,73,722	M.B.B.S., M.D.	18	29-03-82	Delhi Administration, Senior Resident - 2 years
226	Kumar Dr. Sampath	43	Specialist	3,71,975	2,65,979	M.B.B.S., M.S. (Anaesthesia)	12	01-02-93	Salem Steel Plant (Sail), Senior Specialist (Anaesthesia) - 7 years, 5 months
227	Kumar Harsh	43	Senior Marketing Manager	3,13,910	2,21,578	B.Tech. (Mech.), P.G.D.B.M.	19	15-05-78	—
228	Kumar M. M.	46	Deputy Divisional Manager	3,49,790	2,72,463	B.Sc. Engg. (Mech.)	21	19-03-77	—
229	Kumar S. Prasanna	55	Senior Divisional Manager	3,20,742	2,32,510	B.E. (Mech.), P.G.D.B.M.	31	12-11-66	Ex-Cell-O India Ltd., Engineer Trainee - 4 months
230	Kumar A. R.	57	Divisional Manager	3,12,580	2,24,550	B.Sc.	37	26-12-60	—
231	Kumar D.	49	Deputy Divisional Manager	3,11,821	2,43,873	B.Sc. (Engg.)	24	01-01-74	—
232	Kumar Arun	48	Deputy Divisional Manager	3,14,090	2,45,583	B.Sc. (Engg.) (Mech.)	23	27-12-74	—
233	Kumar Suresh	40	Deputy Divisional Manager	3,28,460	2,54,064	B.Tech., P.G.D.B.M.	17	01-08-80	—
234	Kumar Sudhanshu	39	Assistant Divisional Manager	3,22,372	2,45,952	B.E.	14	08-08-83	—

NINETY-FIRST ANNUAL REPORT 1997-98

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation - Period for which post held
235	Kumar Dr. Prabhat	41	Specialist	3,07,086	2,34,768	M.B.B.S., M.S.	13	01-09-84	—
236	Kumar Ashok	36	Divisional Manager	3,08,607	2,36,238	B.Tech.	13	01-07-84	—
237	Kumar Sanjay	35	Deputy Divisional Manager	3,07,488	2,45,346	B.Tech., P.G.D.B.M.	13	02-07-84	—
238	Kumar Yashwant	34	Assistant Divisional Manager	3,51,797	2,66,207	B.Tech.	12	01-07-85	—
239	Kumar Dilip	45	Assistant Divisional Manager	3,00,010	2,28,018	B.Sc. Engg. (Mech.)	21	29-10-81	B.C.C.L., Asst. Engineer, — 5 years
240	Kundu A. K.	53	Deputy Divisional Manager	3,16,972	2,38,910	Dip. in Mech.	27	02-11-70	—
241	Lahiri R. K.	52	Senior Divisional Manager (Engineering)	3,45,184	2,42,056	Graduate Engineer	29	01-01-69	—
242	Lahiri Shankar Kumar	47	Divisional Manager (Logistic Systems)	3,18,112	2,25,675	B.E.	24	04-05-73	—
243	Lal Behari	48	Senior Divisional Manager	3,13,942	2,32,059	B.Sc., M.Sc.	26	01-10-71	—
244	Lal Kripa Shankar	55	Assistant General Manager (Modernisation)	3,56,161	2,54,869	B.Sc. (Hons) (Math), B.Sc. Engg. (Mech.), P.G.D.B.I.M.I.&S.	33	27-06-64	—
245	Lal V. K.	42	Assistant Divisional Manager	3,20,754	2,40,860	B.Sc. (Engg.)	17	01-08-80	—
246	Lamba Deepak Kumar	46	Divisional Manager (IED)	3,56,901	2,66,037	B.E. (Mech.)	17	04-09-80	—
247	Lath Dr. G. K.	59	General Manager (Medical Services)	7,59,272	5,05,241	M.B.B.S., M.S., F.R.C.S.	31	22-03-67	Christian Medical College Hospital, Clinical Assistant, — 3 months
248	Lonial S. K.	52	Divisional Manager	3,09,792	2,22,200	M.Sc. (Hons), Geology	29	23-12-68	—
249	Loomba K. M.	49	Chief Sales Manager (Steel-North)	3,72,770	2,65,923	B.Sc. Engg. (Mech.), M.Tech., P.G.B.M.	26	05-08-75	CVRDE Ministry of Defence, Sr. Scientific Officer - 4 years
250	Mahanty Niroop Kumar	48	Director (Orgn. Planning)	3,62,339	2,45,701	B.A. (Hons), M.B.A.	22	18-12-75	—
251	Mahanta Dr. Nabin C.	47	Senior Registrar	3,17,196	2,35,328	M.B.B.S.	19	23-10-78	—
252	Mahapatra Dr. B. C.	49	Specialist	3,88,815	2,89,015	M.B.B.S., M.S. (Anaesthesia)	20	08-01-79	Alimco, Anaesthetist, — 1 year, 3 months
253	Mahapatra Dr. P. C.	44	Senior Registrar	3,33,467	2,43,617	M.B.B.S.	16	21-07-83	Tata Steel Rural Dev. Society, Medical Officer, — 2 years
254	Mahapatra S. K.	58	General Manager (Finishing Mills)	5,26,050	3,71,625	B.Tech. (Hons), P.G.D.B.M.	37	24-12-60	Titagarh Paper Mills Ltd., Assistant - 4 months
255	Mahapatra Dr. B.	50	Specialist	3,12,514	2,46,311	M.B.B.S. & Diploma in Medicine	11	23-05-87	—
256	Maharana Dr. D. B.	57	Senior Registrar	3,01,859	2,21,035	M.B.B.S.	28	18-03-70	—
257	Mahmood I.	56	Deputy General Manager (Proj) Coal	4,00,636	2,83,768	B.Sc., Engg. (Elect.), M.Sc. (Mineral Engg.) UK, MIIME (Ind) FMES(UK)	38	19-12-59	—
258	Maitra Gautam	41	Assistant General Manager	3,14,957	2,19,594	B.Tech., P.G.D.B.M.	18	22-01-80	—
259	Majhee Dr. M.	59	Senior Registrar	3,08,692	2,20,402	M.B.B.S.	35	25-08-62	—
260	Majumdar Dr. S.	44	Registrar	3,01,201	2,20,351	M.B.B.S.	16	02-11-81	—
261	Makashir S. D.	51	Pilot	3,01,289	2,48,552	M.Sc. (Defence Studies)	1	02-09-97	—
262	Malhotra Dr. A. K.	46	Specialist (ENT)	3,54,559	2,63,496	M.B.B.S., M.S.	10	05-06-87	—
263	Mall Dr. Sree Niwas	53	Senior Registrar	3,39,347	2,46,550	M.B.B.S., D.O.M.S.	25	01-05-74	H.E.C. Ranchi, Jr. & Sr. Resident House Officer, — 1 year, 3 months
264	Malliwai N. S.	55	Assistant General Manager (M)	3,17,871	2,18,500	B.Sc. (Mining), Dip. in I.S.M.	31	19-05-66	—
265	Manani V.K.	45	Deputy Divisional Manager	3,23,922	2,51,811	B.E.	21	01-04-77	—
266	Mandal Dr. Smarajit Kr.	60	Director (Scientific Services)	3,36,120	2,37,030	B.Sc. (Engg.) Met. (Hons), London, Ph.D. (Engg.), London, F.I.I.M., F.I.E., C.E.	28	01-02-90	Telco Ltd. Jamshedpur, Divisional Manager, — 20 years, 2 months
267	Mathias A.	59	Executive-in-Charge (Secondary Products)	5,95,751	4,20,732	B.E. (Mech.), Dip. in B.M. & Dip. in Iron & Steel	37	24-12-60	—

THE TATA IRON AND STEEL COMPANY LIMITED

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268	Mathias A. J.	47	Divisional Manager (M)	3,26,880	2,34,802	B.Tech. (Mining)	23	01-09-75	—
269	Mathur N. K.	58	Deputy Divisional Manager	3,36,497	2,43,602	B.Sc. (Engg.) P.G.D.B.M., Dip-Engg.	34	26-07-63	—
270	Mathur Raghavendra	44	Deputy Divisional Manager	3,00,191	2,27,710	B.Tech.	16	01-02-82	—
271	Mazumdar Arun Kumar	53	Deputy Divisional Manager	3,14,059	2,38,251	B.E.	26	24-11-71	—
272	Mazumdar A.	50	Deputy Divisional Manager(Geol)	3,06,733	2,33,747	M.Sc. in Applied Geol.	26	01-08-71	—
273	Mehta J. K.	54	Divisional Manager	3,34,810	2,50,005	B. Sc. (Engg.)	15	26-04-82	—
274	Mehta Viraf	39	Divisional Manager (R & T S)	3,21,648	2,36,082	B.Sc., M.Sc.	9	07-11-88	—
275	Midha Kanwal	50	Assistant General Manager	3,18,711	2,29,955	B.Sc. (Engg.), M.B.A., M.S. (Engg.)	23	13-03-75	—
276	Mishra Dr. P. K.	48	Senior Registrar	3,13,298	2,28,277	M.B.B.S.	23	20-07-76	W.H.O., Medical Officer, — 2 years
277	Mishra J. P.	52	Senior Divisional Manager (M)	3,27,451	2,32,671	B.Sc. (Mining)	25	16-04-73	—
278	Mishra S. N.	56	Deputy General Manager (Sports)	3,41,588	2,44,122	B. A.	34	08-12-69	Caltex (I) Ltd., Marketing Executive — 6 years, 6 months
279	Mishra Madhu Sudan	56	Divisional Manager	3,07,735	2,30,167	Matric	37	18-11-60	—
280	Mishra R. N.	59	Senior Divisional Manager	3,37,055	2,50,080	B.A., L.L.B., M.A.	30	11-12-67	—
281	Mishra Chaturanan	53	Senior Divisional Manager	3,05,868	2,15,675	B.Sc. (Engg.)	31	12-11-66	—
282	Mishra S. C.	47	Divisional Manager	3,06,767	2,19,350	B.Sc. (Engg.), P.G.D.B.M.	27	11-08-70	—
283	Mishra K. P.	45	Divisional Manager	3,05,754	2,18,265	B.Sc. (Engg.) P.G.D.B.M.	22	29-09-75	—
284	Mishra Abanindra M.	46	Senior Divisional Manager	3,05,150	2,20,080	B.E., M.B.A.	24	29-12-73	—
285	Mishra Dr. A. K.	47	Senior Registrar	3,16,423	2,42,837	B.Sc., M.B.B.S., M.D.	19	21-04-78	—
286	Mishra Om Prakash	43	Divisional Manager	3,02,866	2,17,931	B.Tech.	20	09-01-78	—
287	Mishra A. K.	39	Deputy Divisional Manager	3,19,886	2,43,041	B.Tech.	16	27-07-81	—
288	Mishra Dr. Ajit Kumar	43	Senior Registrar	3,27,887	2,36,789	M.B.B.S.	15	10-04-82	—
289	Mishra Dr. Rajendra	57	Chief Industrial Engineer	3,13,179	2,29,330	B.Sc. (Engg.), M.Tech (Indl. Engg. & O.R) Ph.D. (Strategic Planning)	32	06-02-95	Vishakapatnam Steel Plant, RINL, Dy. GM (Management Services) — 3 years
290	Mishra Dr. Sudhir	36	Associate Specialist (Paediatrics)	3,01,583	2,35,210	M.D. (Paediatrics)	2	01-06-95	—
291	Mishra Dr. G. N.	51	Senior Registrar	3,46,493	2,58,706	M.B.B.S.	17	08-01-81	—
292	Mitra Dr. Amitav	42	Senior Registrar	3,16,851	2,30,068	M.B.B.S.	16	15-02-82	—
293	Mitra Dr. C. S.	45	Specialist (Medicine)	3,97,993	2,69,799	M.B.B.S., M.D. (Medicine)	20	18-01-82	Can. Health Service, Govt. of India, Class 1 Officer, — 4 years
294	Mitra A. K.	54	Deputy Divisional Manager	3,29,014	2,58,111	B.E., B.Sc.	24	01-02-74	—
295	Mitra S. K.	45	Assistant Divisional Manager	3,06,635	2,33,582	B.E., M.Sc. (Engg.)	22	02-06-75	—
296	Mitra Abhijit	38	Deputy Divisional Manager	3,08,226	2,34,867	B.Sc. (Engg.)	15	02-08-82	—
297	Mittal Dr. R. K.	43	Senior Registrar	3,02,365	2,23,897	B.Sc., M.B.B.S., M.D.	16	15-06-81	—
298	Mody Dinyar Rustom	51	Assistant Director	3,76,693	2,63,557	B.Com.	8	01-07-89	—
299	Mohanty Dr. H. C.	56	Senior Registrar	3,00,272	2,24,960	M.B.B.S.	33	17-02-65	—
300	Mohanty Dr. Onkar Nath	53	Director (Research & Development)	3,55,028	2,45,755	Dr. ING (Germany), M.Tech., B.Tech. (Hons)	14	15-09-93	National Metallurgical Laboratory, Jamshedpur, Sr. Deputy Director (Set 'G') — 9 years, 6 months
301	Mohanty Dr. A	49	Senior Registrar	3,20,537	2,24,194	M.B.B.S.	21	26-07-76	—
302	Mohanty P. K	54	Deputy Divisional Manager	3,33,754	2,46,760	AMIE, P.G.D.B.M., B.Sc.	21	10-11-76	—
303	Mohanty S. C.	47	Senior Divisional Manager	3,02,087	2,13,661	B.Sc. (Hons), B.Met. (Hons)	33	27-06-64	—
304	Mokashi S.	40	Divisional Manager	3,44,719	2,55,226	B.Tech., P.G.D.B.M.	16	01-02-82	—
305	Mukherjee Dr. T.	55	Vice President (Operations)	14,58,993	9,54,427	B.E. (Met.), M.Met. (Sheffield), Ph.D. (Sheffield)	30	17-05-71	British Steel Corp., Asst. Manager, New Products Dev. — 1 year, 6 months
306	Mukherjee U. R.	59	Manager	3,01,889	2,30,750	B.Sc., B.Sc. (Engg.)	35	05-02-63	—
307	Mukherjee A. K.	47	Deputy Divisional Manager	3,27,662	2,44,747	B.E. (Mech.)	16	12-03-82	—

NINETY-FIRST ANNUAL REPORT 1997-98

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308	Mukhty Bijoy Kumar	57	Deputy Divisional Manager	3,19,409	2,49,531	Dip.-Engg.	40	21-09-57	—
309	Munda Sukhram	59	Manager	3,19,515	2,53,134	Dip.-Engg.	34	24-01-64	—
310	Murtaza Waseem	50	Deputy Divisional Manager	3,02,610	2,29,434	B.Sc., P.G.D.B.M.	26	02-06-71	—
311	Murthy R. S. S.	55	Assistant General Manager	3,31,080	2,26,311	B.Sc. (Hons), Mining, 1st Class Manager's Certificate A.I.S.M.	29	01-04-69	—
312	Murty V. S. N.	46	Divisional Manager	3,50,353	2,69,969	A.C.A.	21	01-06-76	—
313	Muthuraman B.	54	Vice-President (Project Gopalpur & CRM)	12,41,934	8,30,016	B.Tech. (Met), P.G.D.B.M.	31	14-11-66	—
314	Mutsuddi Deba Prasad	58	Divisional Manager	3,04,398	2,20,761	B.Ed., M.A., P.G.D.B.M.	10	11-02-88	—
315	Nag Sujay	52	Senior Divisional Manager	3,61,620	2,69,436	Mech. Engg.	28	16-02-70	TAYO, Planning & Methods Engg. - 23 years
316	Nair K. P. G.	48	Deputy Divisional Manager	3,24,392	2,35,148	Dip. in Mech. Engg., AMIE (India), P.G.D.B.M.	28	04-10-71	Eastern Paper Mills Ltd. Calcutta, Design Asst., - 2 years, 6 months
317	Nandan Krishna	42	Resident Executive, Bihar	3,50,555	3,22,555	B.A., L.L.B.	19	29-10-78	—
318	Nandi Dr. Ram Krishna	58	Divisional Manager	3,27,602	2,53,920	B.Sc. M.Sc., Ph.D.	26	09-07-71	—
319	Nandrajog R. C.	53	General Manager (Finance & Accounts)	6,66,956	4,58,313	B.Sc. Engg. (Mech.), A.I.C.W.A., M.B.A.	31	12-11-66	—
320	Narayan S.	60	Manager	3,05,272	2,37,720	B.Sc.	37	26-12-60	—
321	Narayan Vijay	57	Assistant General Manager	3,44,026	2,35,352	B.Sc., B.Sc.(Engg.)	34	24-08-63	—
322	Narayanswamy P. K.	52	Divisional Manager	3,28,087	2,40,129	B.E., LME.	27	19-12-70	—
323	Narayan L.T. P.	44	Assistant Divisional Manager	3,13,915	2,36,331	B.E.	19	01-01-79	—
324	Nath Wg. Cdr. Kamal	52	Pilot	6,68,189	4,86,457	Airline Transport Pilots Licence	30	01-05-96	Indian Air Force, Wing Commander - 29 years
325	Navanit	33	Deputy Divisional Manager	3,02,771	2,38,611	B.E., M.S., P.G.D.B.M.	10	03-02-88	—
326	Nerurkar H. M.	49	Director of Marketing	5,02,211	3,39,797	B.Tech. (Met.)	26	01-02-82	Manager (QC) - 5 years
327	Noor Shaukat	50	Divisional Manager	3,09,355	2,22,550	B.Sc. (Engg.)	29	22-12-68	—
328	Obero V.	41	Assistant General Manager (Re-Engg.)	3,24,475	2,20,806	B.A.(Hons)	19	03-04-78	—
329	Ojha Awadhesh Kumar	46	Divisional Manager	3,30,236	2,32,635	B.Sc. (Mech. Engg.)	22	01-08-75	—
330	Pal Dr. S K	54	Registrar	3,06,340	2,33,372	M.B.B.S.	28	28-03-70	—
331	Pal Miss. Bachendri	43	Senior Divisional Manager	3,18,049	2,19,610	M.A., B.Ed.	14	22-12-83	—
332	Pal Saktidhar	53	Deputy Divisional Manager	3,01,477	2,30,430	B.Sc., B.Tech., M.Tech.	27	12-08-70	—
333	Pailwal Dr. Y. K.	49	Deputy Chief Medical Officer	3,46,441	2,57,238	M.B.B.S., M.D., M.E.D.	20	13-07-77	—
334	Panda B. N.	57	Divisional Manager	3,05,395	2,21,947	B.Sc. Engg. (Mech.), M.Tech., FIE, Minst NDT, I. Engg.	32	07-06-73	Regional Institute of Technology, Lecturer, - 7 years, 9 months
335	Panda Dr. A. K.	47	Senior Specialist	3,21,584	2,33,852	M.B.B.S., M.S.	17	02-11-81	Malati Hospital, Eye Specialist - 1 year
336	Pandey M.	55	Assistant General Manager (Engg. Services)	3,42,327	2,38,932	B.Sc. Engg.	34	24-08-63	—
337	Pandey Sachidanand	60	Vice President (Human Resources Management)	12,40,874	8,24,846	B.A. (Hons), Economics, M.A. (Economics), Dip. in Social Work	37	08-09-93	Rastriya Ispat Nigam Ltd. Visakhapatnam, Director (Personnel) - 5 years, 9 months
338	Pandit Ashok	56	Executive-in-Charge (Tubes Division)	5,34,140	3,68,883	B.Sc. (Hons), Physics, B.Sc. (Engg.), B.S.I.E. (USA), M.A. (Adm.), (U.S.)	22	01-07-81	Kaiser Steel Corporation, U.S.A., Sr. Industrial Engineer - 6 years
339	Panigrahi Sudhamaya	57	Senior Divisional Manager	3,40,862	2,46,663	B.E.	34	25-08-63	—
340	Pant Dr. Manjul	42	Associate Specialist (Ophthalmology)	3,36,835	2,48,305	M.B.B.S., M.S.	11	09-12-86	—
341	Pant Dr. (Mrs.) Luna	40	Associate Specialist (Obst & Gyn.)	3,32,394	2,33,825	M.B.B.S., M.S.	11	05-01-87	—
342	Pathak Durga Datt	48	Senior Divisional Manager	3,05,742	2,14,105	B.Sc. PGD. (PM & IR) L.L.B.	24	21-05-73	—

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343	Pathak R. C.	48	Divisional Manager	3,04,237	2,23,418	B.Sc.	18	13-12-79	—
344	Pathak H. G.	39	Marketing Manager	3,21,329	2,33,237	B.Tech. (Met), M.E.P.	16	01-07-81	—
345	Pathak B. B.	51	Divisional Manager (Engg.)	3,03,882	2,22,082	B.Sc. (Engg.) Elect.	29	03-01-69	—
346	Pati Srikant Kumar	39	Deputy Divisional Manager	3,11,755	2,42,853	B.Sc. (Engg.), P.G.D.B.M.	16	01-07-81	—
347	Patil D.N.	53	Deputy Divisional Manager	3,07,140	2,33,300	B.Sc. Dip-Engg.	30	24-01-68	—
348	Patnaik B.	61	Assistant General Manager (Proj.)	3,40,213	2,33,803	B.Sc. Engg. (Mech.)	35	19-12-62	—
349	Patnaik N.	68	Chief Resident Executive (Orissa)	3,40,115	2,71,410	Intermediate	32	01-12-67	N.M.D.C. Asst., A.O. – 2 years
350	Patnaik A.K. Das	53	Deputy Divisional Manager	3,16,005	2,43,276	B.Sc. (Engg.)	26	01-01-72	—
351	Patnaik L. K.	56	Assistant General Manager (Engg.)	3,40,673	2,33,728	B.Sc. (Engg.) Mech.	32	17-10-66	—
352	Patra Dr. D. P.	52	Senior Specialist (Paediatrics) & Head of The Department	3,96,698	2,63,023	M.B.B.S., D.C.H.	14	01-07-83	—
353	Patri D. S.	54	Assistant Divisional Manager	3,08,196	2,33,077	Diploma in Electrical Engg.	35	06-10-63	—
354	Pattanaik H. R.	48	Divisional Manager	3,02,843	2,08,990	B.Sc. Engg. (Elect.)	23	01-11-74	—
355	Pattanaik S. K.	57	Assistant General Manager (FAMD)	3,50,227	2,36,267	B.E. (Mining.)	32	11-06-66	—
356	Pattanaik S. K.	39	Senior Divisional Manager (Opn.)	3,19,500	2,47,336	B.E. (Mining.)	15	01-07-83	—
357	Paul Dr. H. S.	51	Senior Specialist (Medicine)	3,96,463	2,65,762	M.B.B.S., M.D.	24	15-05-73	—
358	Paul Manoj	52	Deputy Divisional Manager	3,15,081	2,41,190	B.M.E., M.Sc. Engg., P.G.D.B.M.	27	24-08-70	—
359	Paul Priyabrata	58	Senior Divisional Manager	3,35,994	2,37,055	B.E., LCE	32	01-03-66	—
360	Paul A.K.	53	Divisional Manager	3,08,648	2,23,915	B.Tech.	29	21-12-68	—
361	Paul S.	35	Deputy Divisional Manager	3,06,695	2,39,706	B.Sc. (Engg.)	11	01-07-86	—
362	Pillai Satish	46	Divisional Manager	3,12,961	2,33,640	B.A.	26	16-06-71	—
363	Pradhan Capt. G. C.	50	Pilot	5,21,968	3,94,025	B.A., Commercial Pilots Licence	6	15-02-95	Mithila Motors Ltd., Chief Pilot – 3 years
364	Pradhan Ramesh Kumar	51	Assistant General Manager	3,35,088	2,36,813	B.Sc. Engg. (Mech.), M.I.E.	30	31-12-67	—
365	Pradhan Dr. Sridhar	40	Associate Specialist (G S)	3,12,651	2,31,561	M.B.B.S., M.S.	7	07-08-90	—
366	Prakash Dr. Om	53	Senior Registrar	3,19,233	2,31,251	M.B.B.S.	28	08-09-69	—
367	Prakash Gyan	55	Assistant General Manager (Engineering)	3,23,870	2,28,580	B.E. (Elect.), P.G.D.B.M.	33	27-06-64	—
368	Prasad A. K.	47	Deputy Divisional Manager	3,39,830	2,53,671	M.Sc. (Gold Medalist) Geology	24	24-04-73	—
369	Prasad Arvind	55	Senior Divisional Manager	3,12,879	2,28,421	B.Sc. Engg. (Elect.)	33	31-10-64	—
370	Prasad Avinash	50	Deputy General Manager	4,42,469	2,87,032	B.E. (Met.)	26	14-06-71	—
371	Prasad Harihar	56	Deputy Manager (Op.)	3,15,003	2,35,391	B.Sc.	34	01-03-65	Rohtas Industries Ltd., Dalmianagar, B.Sc. Apprentice, – 1 year – 4 months
372	Prasad Sujit	48	Divisional Manager	3,26,826	2,40,426	B.Sc. Engg. (Elect.)	24	28-12-73	—
373	Prasad Vikram	57	Assistant General Manager	3,32,339	2,29,431	B.Sc. Engg. (Elect.)	34	24-08-63	—
374	Prasad K.M.	57	Senior Divisional Manager	3,13,305	2,17,211	B.Sc. (Engg.) P.G.D.B.M.	33	15-06-64	—
375	Prasad R.K.	54	Assistant Divisional Manager	3,07,354	2,32,603	AMIE, Dip-Engg.	33	08-07-64	—
376	Prasad H.N.	56	Deputy Divisional Manager	3,13,947	2,39,080	B.Sc., B.Sc. (Engg.)	33	18-01-65	—
377	Prasad Sahdeo	53	Senior Divisional Manager	3,02,087	2,13,580	B.Sc. (Engg.)	33	31-10-64	—
378	Prasad K.N.	50	Deputy Divisional Manager	3,11,682	2,41,859	B.Sc. Engg. (Mech.)	27	17-08-70	—
379	Prasad B.B.	58	Divisional Manager (Fab. Sourcing)	3,17,355	2,28,812	Diploma (Mech.)	25	22-12-72	—
380	Prasad B.	48	Assistant Divisional Manager	3,05,665	2,30,157	Dip-Engg., P.G.D.B.M.	24	27-02-74	—
381	Prasad Shashi Bhusan	47	Manager	3,12,465	2,35,703	B.Sc. (Engg.)	21	01-03-77	—
382	Prasad Priya Ranjan	37	Assistant Divisional Manager	3,04,140	2,33,115	B.Tech.	14	08-08-83	—
383	Prasad Dr. Tarabhusan	46	Senior Medical Officer (Med. Rural Development)	3,06,682	2,23,728	M.B.B.S.	10	23-09-87	—
384	Prasad Dr. A. S.	50	Assistant Divisional Manager	3,47,044	2,53,480	M.B.B.S.	27	19-12-75	Army Medical Corps, R.M.O. – 2 years
385	Prasad Alok	46	Senior Marketing Manager	3,27,390	2,32,613	B.A. (Hons) Econ., P.G.D.M.	23	03-06-74	—

NINETY-FIRST ANNUAL REPORT 1997-98

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386	Prasad Parashuram	49	Deputy Divisional Manager	3,32,797	2,47,917	Dip. in Mech. Engg.	26	26-10-71	—
387	Prasad B. Sri	60	Senior Divisional Manager	3,51,925	2,47,381	B.Sc. (Elect. Engg.), Dip. in Metallurgy	36	15-12-62	B.S.E.B., Assistant Engineer – 1 year
388	Prusty Dr. S.	60	Specialist	3,20,246	2,35,827	M.B.B.S., Dip. in Obst. (Gyn.)	36	03-11-61	—
389	Qadri S.F.	48	Deputy Divisional Manager	3,07,027	2,26,187	B.Sc., L.L.B., M.B.A.	15	14-06-82	—
390	Rai D.	47	Deputy Divisional Manager	3,05,037	2,36,559	AMIE, Dip-Engg.	23	06-01-75	—
391	Rai Krishna Deo	47	Deputy Divisional Manager	3,30,691	2,53,115	B.Sc., M.Sc.	23	01-11-74	—
392	Raina B. L.	54	Director of International Trade	4,80,800*	2,96,956	B.E. (Mech.)	29	28-05-69	—
393	Raja Dr. K. V.	56	Senior Registrar	3,59,263	2,61,000	B.D.S.	27	01-05-70	—
394	Rajamani C.R	56	Deputy Divisional Manager	3,11,678	2,36,982	B.Sc. Engg. (Elect.)	31	01-10-66	—
395	Raju R.K.Ramchander	43	Deputy Divisional Manager	3,09,122	2,40,683	B.Tech.	19	01-01-79	—
396	Rama Rao B.V.	55	Senior Divisional Manager	3,10,336	2,24,016	B.Tech.(Hons) (Elect. Engg.)	30	30-12-67	—
397	Ramachandran R.	56	Executive-in-Charge(Growth Shop)	4,81,872	3,27,135	B.E. (Hons) (Mech. Engg.)	34	29-08-63	—
398	Ramachandran U.	52	Assistant General Manager	3,34,636	2,24,050	B.Sc. (Engg.) (Elect.)	27	26-12-70	—
399	Ramachandra Wg. Cdr. A.	52	Pilot	7,03,379	5,04,183	Inter Science	32	11-07-90	Indian Air Force, Wg.Cdr.(Retd.) – 25 years
400	Ramachandran P. P.	58	Senior Divisional Manager	3,05,717	2,13,180	B.Sc. (Engg.)	29	05-09-68	—
401	Ramachandrudu B.	54	Divisional Manager (Production)	3,07,524	2,20,940	LME	27	17-06-70	—
402	Ramakrishnan P. R.	42	Senior Marketing Manager	3,55,650	2,51,139	B.Sc. Engg. (Mech.), P.G.D.B.M.	19	01-01-79	—
403	Raman K. S.	58	Divisional Manager	3,05,398	2,26,431	B.Sc., Dip-Engg.	30	06-03-68	—
404	Ramaswamy C.	47	Divisional Manager	3,24,211	2,35,965	B.Sc., B. Lib. Sc.	15	05-08-82	—
405	Ramesh H. S.	49	Deputy General Manager	3,44,227	2,42,983	B.Sc. (Hons), B.E. (Instr.), M.I.E.	28	25-06-90	L & T Awarpur Cement Works, Manager(E & I) – 9 months
406	Ramesh Mani	38	Marketing Manager	3,17,212	2,25,069	B.Com.	15	01-03-83	—
407	Ramesh P.	49	Deputy Divisional Manager	3,51,509	2,64,029	B.E. (Mech.), P.G.D.B.M., C.Q.A.	12	27-10-87	Audco India Ltd., Manager – 7 months
408	Rammurthy N.	47	Divisional Manager(Materials)	3,15,700	2,23,600	B.Sc. (Met. Engg.) (Hons) P.G.D.B.M.	24	31-01-74	—
409	Randhwa Capt. Devender Singh	53	Chief of Aviation Services	6,50,650	4,56,717	I.Sc.	11	19-05-86	—
410	Ranganathan M.	51	Senior Divisional Manager	3,48,775	2,50,965	B.Sc. Engg. (Elect.)	28	13-12-69	—
411	Ranjan Rajiv	39	Assistant Divisional Manager	3,08,040	2,39,904	B.Sc. (Engg.)	17	01-08-80	—
412	Rao A. Gopal	59	Manager	3,01,202	2,36,831	Dip-Engg.	40	15-03-58	—
413	Rao Dr. B. S.	46	Specialist (Cardiology)	3,50,796	2,48,519	M.B.B.S., M.D.	17	05-05-80	—
414	Rao Dr. M. B.	53	Senior Specialist & Head of the Department (Dental)	3,68,219	2,52,991	B.D.S., M.D.S.	32	30-09-69	Osmania Medical College, Hyderabad, Demonstrator – 1 year
415	Rao Dr. P. Mohan	45	Associate Specialist	3,28,623	2,48,442	M.B.B.S., M.S.	15	16-06-82	—
416	Rao K. N.	47	Deputy Divisional Manager	3,10,779	2,32,583	CME, AMIE	28	22-07-91	FAG Precision Bearings, Production Manager – 1 year
417	Rao M. Poornananda	60	Deputy Director	3,39,650	2,42,931	B.Sc. (Engg.)	35	15-12-62	—
418	Rao O.V.R.V.G.	59	Senior Divisional Manager	3,00,544	2,28,239	B.E., P.G.D.B.M.	35	15-12-62	—
419	Rao P.V.T.	55	Divisional Manager	3,16,393	2,27,320	B.Sc. (Engg.)	33	06-01-65	—
420	Rao R.G.	60	Assistant Director(Growth Shop)	3,85,028	2,74,804	B.E. (Hons) Mech., P.G. Dip. in Elect., Mech. & Metallurgy of Iron & Steel	38	19-12-59	The Govt. College of Technology, Coimbatore, Asst. Lecturer In Mech. Engg. – 6 months
421	Rao Surendra Nath	48	Senior Divisional Manager	3,32,655	2,34,178	B.Sc. Engg.	22	16-01-76	—
422	Rao T. R.	55	Senior Divisional Manager	3,28,246	2,27,209	B.Tech. Mining	31	01-07-66	—

THE IRON AND STEEL COMPANY LIMITED

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation - Period for which post held
423	Rathore D. P.	54	Assistant General Manager (Electrical)	3,28,557	2,30,830	B.E. (Elect.)	30	30-12-67	M.A. College of Technology, Bhopal, Associate Lecturer - 5 months
424	Rattan G. S.	51	Senior Divisional Manager	3,86,577	2,54,787	B. E. (Mech.)	27	10-11-78	FAG Precision Bearings, Foreman - 5 years
425	Raul Dr. Simanchal	48	Senior Specialist (Neuro Surgery)	3,82,282	2,67,336	M.B.B.S., M.S. (General Surgery), M.Ch. (Neuro Surgery)	25	03-01-96	Army Medical Corps., Advisor In Surgery & Neurosurgery - 22 years, 9 months
426	Rawat Dr. Santosh	44	Senior Specialist	3,68,765	2,49,427	M.B.B.S., M.S. (Orthopaedics)	13	01-01-91	Ministry of Health, Saudi Arabia, Specialist In Orthopaedics - 6 years, 9 months
427	Ray Dr. Banambar	50	Senior Specialist (Anaesthesia) & Head of The Department	3,95,748	2,64,397	M.B.B.S., M.D.	18	01-03-80	—
428	Ray Dibyendu	53	Manager	3,16,461	2,35,370	AMIM, B.Sc., Cer (Foremanship)	33	01-03-65	—
429	Ray Gautam	50	Assistant Divisional Manager	3,29,940	2,49,260	B.E. (Mechanical)	28	01-08-69	—
430	Rege M. D.	49	Divisional Manager, (Corporate Communication)	3,05,595	2,21,556	B.A. (Eco.)	29	02-08-68	—
431	Rout P. K.	55	Senior Divisional Manager	3,56,229	2,60,380	B.A., P.G.D.B.M., L.L.B., M.A.	24	27-07-73	—
432	Roy Dr. Birendra Kr.	57	Senior Registrar	3,13,547	2,31,347	M.B.B.S.	32	16-03-66	—
433	Roy Dr. (Mrs.) Deepa	50	Registrar	3,08,082	2,31,898	M.B.B.S.	21	26-07-76	—
434	Roy Kanchan	53	Assistant General Manager (Accounts)	3,32,368	2,41,526	B.Com., C.A.	23	12-10-74	—
435	Roy K. S.	53	Deputy Divisional Manager	3,16,300	2,45,955	AMIE	35	14-09-84	Chowgules, Production Manager - 7 years
436	Roy P.	47	Chief Marketing Manager	3,43,795	2,32,419	B.Tech.(Met.), P.G. Dip.Met.Elme	25	03-10-72	—
437	Roy Sudeep	45	Assistant Divisional Manager	3,19,863	2,47,020	B.Sc.	25	21-12-72	—
438	Roy S.K.	45	Divisional Manager	3,28,836	2,35,805	B.Sc. (Engg.)	21	19-03-77	—
439	Roychoudhary Dr. D.	48	Senior Specialist (Orthopaedics)	3,63,227	2,39,032	M.B.B.S., M.S. (Ortho.)	20	05-06-81	Central Govt., Delhi, Senior Resident (Registrar) - 4 years
440	Saha Alak	54	Director of Marketing	3,01,758*	1,62,642	B.Tech. (Hons.) Met. Engg., P.G.D.B.M.	14	01-09-83	—
441	Sahai Kumar Jyoti	44	Assistant Divisional Manager	3,03,972	2,29,290	B.Sc. (Engg.)	22	20-03-76	—
442	Sahani Dr. B. B.	44	Senior Specialist	3,49,886	2,66,736	M.B.B.S. (Paediatric)	18	14-06-80	—
443	Sahay Dr. Jag Narayan	48	Deputy Divisional Manager	4,17,426	2,98,009	M.B.B.S., M.D. (P.S.M.)	22	04-09-75	—
444	Sahay Ajay	39	Deputy Divisional Manager	3,05,557	2,40,315	B.Com.	17	01-07-80	—
445	Sahay A.K.	40	Deputy Divisional Manager	3,09,409	2,34,210	B.Sc. (Engg.), P.G.D.B.M.	17	01-08-80	—
446	Sahu Dr. P. K.	50	Specialist (Anaesthesia)	3,32,181	2,43,664	M.D. (Anaesthesia)	13	10-01-85	—
447	Saluja V. S.	55	Deputy Divisional Manager	3,00,073	2,20,189	B.E. (Mech. Engg.)	26	12-05-78	U.C.I.L., Deputy Superintendent - 7 years
448	Samaddar Dr. D. P.	44	Senior Specialist	4,23,094	2,94,162	M.B.B.S., M.D. (Anaesthesiology)	14	03-06-85	Telco, Jamshedpur, Specialist (Anaesthesia) - 1 year, 8 months
449	Samanta Dr. Shomit	43	Registrar	3,19,854	2,36,047	M.B.B.S.	15	17-01-83	—
450	Samanta Dr. T. S.	53	Senior Registrar	3,30,287	2,38,705	M.B.B.S.	25	09-11-72	—
451	Sandhu H.S.	52	Assistant General Manager	3,10,631	2,21,380	Dip. in Mech. Engg.	30	23-06-67	—
452	Sankaran R.	65	Senior Financial Advisor (Engineering Group)	6,46,584	3,99,755	B. Com., F.C.A.	42	26-04-86	ACC Babcock Ltd., Mumbai, Director Finance - 2 years
453	Sanyal Manabendra	57	Manager	3,04,372	2,27,790	B Sc, Diploma	36	05-02-62	—
454	Sanyal Saroj Kumar	59	Deputy Manager	3,15,776	2,43,346	Dip-Engg	33	03-07-64	—

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation - Period for which post held
455	Sanyal Milon Kumar	51	Divisional Manager	3,31,750	2,52,580	B.E., P.G.D.B.M., Dip.-Engg.	28	13-12-69	—
456	Sarangi B.N.	47	Assistant General Manager	3,26,005	2,36,460	B.A. (Econ.), M.B.A.	28	20-12-69	—
457	Sarangi Dr. S.	53	Senior Registrar	3,14,127	2,33,660	M.B.B.S.	24	05-08-73	—
458	Sardana Balraj	52	Senior Divisional Manager	3,02,087	2,15,592	B.Tech.(Hons.)	30	01-07-68	American Refrigeration Co. Ltd., Madras Engineering Trainee - 6 months
459	Sarkar A. Sankar	60	Divisional Manager	3,33,524	2,33,375	Dip. in Civil Engg., Dip. in Refractories Engg.	38	20-04-59	—
460	Sarkar B.K.	42	Divisional Manager	3,02,087	2,13,847	B.Tech.	20	07-01-78	—
461	Sarkar Prosenjit	39	Deputy Divisional Manager	3,27,840	2,51,720	B.Sc. (Engg.), P.G.D.B.M.	17	02-02-81	—
462	Sarkar Dr. Abhijit	53	Specialist	3,19,924	2,41,374	M.B.B.S., MDRD	25	30-06-73	—
463	Sarma C.V. R.	56	Senior Divisional Manager	3,09,650	2,20,255	B.E., P.G.D.B.M.	33	27-07-64	—
464	Sarode P.	45	Divisional Manager	3,33,305	2,37,729	B.E.	23	27-12-74	—
465	Sastry C. S. P.	51	Senior Divisional Manager	3,39,312	2,46,406	B.E., B.Sc., P.G.D.B.M., M.Sc. (Engg.)	27	07-08-70	—
466	Sastry C. V.	34	Deputy Marketing Manager	3,61,309	2,67,028	B.E. (Met), P.G.D.B.M.	12	15-07-85	—
467	Sathe A. V.	51	Director, Materials Division	3,09,306	2,20,672	AMIM, B. Tech.	29	19-11-68	—
468	Sathe R. V.	49	Divisional Manager	3,00,103	2,18,700	B.E.	28	13-12-69	—
469	Saxena S. C.	51	Assistant General Manager	3,69,830	2,57,003	B.Sc. (Mines.)	26	01-01-72	—
470	Seal Swapn Kumar	48	Senior Divisional Manager	3,03,242	2,17,380	B.E., P.G.D.B.M.	24	29-12-73	—
471	Seal (Mrs) Rekha	48	Divisional Manager	3,11,400	2,27,402	B.Sc. (Engg.)	24	29-12-73	—
472	Sen Anand	38	Senior Marketing Manager	3,35,320	2,34,074	B.Tech. (Hons), Met. Engg., P.G.D.B.M.	16	27-07-81	—
473	Sen B.K.	47	Deputy Divisional Manager	3,49,059	2,68,969	B.Sc. (Engg.)	22	06-10-75	—
474	Sen Choudhury T. K.	51	Deputy Divisional Manager	3,24,191	2,44,510	B.Sc., B.Tech., M.Tech., P.G.Dip. in Computer	24	12-12-79	Indian Cables Co. Ltd., System Analyst - 6 years
475	Sen Dr. M. K.	41	Deputy Chief Medical Officer	3,09,223	2,29,985	M.B.B.S., M.S. in ENT.	10	01-11-88	—
476	Sen Ray Ranjit	57	Senior Divisional Manager	3,42,214	2,36,651	Dip. in M.E.	35	05-03-82	Indian Oxygen Ltd., Sr. Maintenance Engineer - 19 years
477	Sengupta D.	52	Director (Automation)	4,35,555	2,96,393	B.E. (Electrical)	30	30-12-67	—
478	Sengupta Dr. B. P.	61	Senior Specialist (General Surgery) & Head of The Department	4,21,348	2,79,591	M.B.B.S., M.S.	35	01-07-62	—
479	Sengupta Sujit	55	Senior Divisional Manager (Officers' Establishment)	2,34,246*	1,56,381	B.Sc. (Metallurgy), P.G.D.B.M.	33	27-06-64	Tata Refractories Ltd., Principal Executive Officer, - 5 years, 2 months
480	Sengupta A.K	44	Deputy Divisional Manager	3,15,185	2,38,315	B.E.	20	09-01-78	—
481	Sengupta Subrata	56	Senior Divisional Manager	3,04,157	2,19,620	B. Tech. (Hons), Met. Engg.	16	05-03-82	—
482	Sengupta Dr. Alok	46	Sr. Specialist (Orthopaedic)	3,77,284	2,56,950	M.S. (Ortho)	12	30-07-85	—
483	Seth K.	50	Chief Marketing Manager	3,73,340	2,53,651	B.Tech. (Mech.)	27	22-04-71	—
484	Sharan Dr. R	44	Associate Specialist (Orthopaedics)	3,26,335	2,33,848	M.B.B.S., M.S.	17	05-05-80	—
485	Sharma R. R.	47	Deputy Divisional Manager	3,70,994	2,72,855	B.Sc.Engg. (Elect.) P.G.D.B.M.	23	01-09-75	—
486	Sharma U. S.	44	Assistant Divisional Manager	3,21,435	2,41,802	B.Sc. Engg. (Electronics & Telecommunications)	19	07-06-78	—
487	Sharma V. K.	54	Assistant General Manager (FAMD)	3,17,632	2,30,680	B.Sc. Engg. (Elect.), P.G. in Elect.& Mech. Engg., Dip. in Met.	33	28-11-64	—
488	Sharma S.G. Das	55	Deputy Manager	3,07,952	2,27,773	LEE	34	06-07-63	—
489	Sharma Chandra Deo	57	Senior Divisional Manager	3,09,524	2,17,366	B.Sc., B.Sc. (Engg.)	33	26-06-64	—
490	Sharma V	47	Divisional Manager	3,25,804	2,34,010	B.E.	23	09-04-74	—
491	Sharma Shailesh	41	Deputy Divisional Manager	3,55,216	2,73,906	B.E.	17	01-08-80	—
492	Sharma Dr. G. N.	40	Associate Specialist (Medicine)	3,02,449	2,21,614	M.D., M.B.B.S.	10	06-04-87	—

THE TATA IRON AND STEEL COMPANY LIMITED

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation – Period for which post held
493	Sharma R. P.	49	Divisional Manager	3,05,542	2,22,377	B.E., M.E.	9	01-06-88	—
494	Sharma K. L.	55	Senior Divisional Manager (Plng. & Env.)	3,24,820	2,31,394	B.Sc. (Hons), M.Sc., AISM (Appld. Geol & Mining)	32	01-07-66	—
495	Sheshi Dr.(Miss)	52	Associate Specialist (Obst. & Gyn.)	3,94,774	2,87,878	M.B.B.S., M.S. (Obst. & Gyn.)	23	29-07-74	—
496	Shishoo A. K.	51	Assistant Divisional Manager	3,18,410	2,39,362	AMIE, Dip-Engg.	30	05-07-67	—
497	Shukla Shobhit	40	Assistant Divisional Manager	3,16,830	2,33,657	B.Com. (Hons), C.A.	12	19-03-86	—
498	Sikdar P. K.	51	Senior Divisional Manager	3,22,742	2,26,839	B.Tech.	29	22-12-68	—
499	Singh A.	53	Deputy Divisional Manager	3,31,206	2,45,954	B.Sc.	34	02-03-64	—
500	Singh A. K.	58	General Manager(Jharia)	4,72,874	3,28,104	M.Sc. Mining (Leeds), MM (Canada), 1st Class Mines Mgr.'s Certificate UK, Canada, London	33	16-11-73	Soframines(I) Ltd., Mining Engineer – 1 year
501	Singh A. N.	51	Vice President (Town Medical & Social Services)	12,48,986	8,30,124	B.A. (Hons) Pol. Science	27	05-10-90	Deputy Inspector General of Police, Bihar – 6 years
502	Singh Balbir	47	Assistant Divisional Manager	3,08,096	2,35,171	B.Sc. Engg. (Mech.), P.G.D.B.M.	23	27-12-74	—
503	Singh B. K.	49	Deputy General Manager	4,95,254	3,40,696	B.E., P.G.D.B.M.	26	14-06-71	—
504	Singh Dr. A. B.	55	Resident Medical Officer	3,65,647	2,62,237	M.B.B.S.	30	01-12-69	Tayo Ltd., Medical Officer – 2 years
505	Singh Dr. B. P.	46	Associate Specialist (Ophthalmology)	3,43,361	2,52,031	M.B.B.S., D.O., M.S., F.R.F.	20	07-03-78	—
506	Singh Dr. D. P.	45	Associate Specialist (Orthopaedics)	3,44,626	2,42,908	B.Sc. (Hons), M.B.B.S., M.S. (Ortho.)	15	04-03-83	—
507	Singh Dr. G. B.	53	Senior Specialist (Ophthalmology)	3,65,421	2,40,670	M.B.B.S., D.D.M.S., M.S. (Oph)	28	25-07-69	—
508	Singh Dr. Jitendra	51	Deputy General Manager (Human Resources Development)	4,00,280	2,57,616	B.A., M.B.A, Ph.D. in Management (Wharton Univ. of Pennsylvania)	19	01-10-84	XLRI, Jamshedpur, Dean, — 6 years
509	Singh Dr. Shrinath	40	Specialist	3,27,945	2,45,636	M.B.B.S., M.D.	12	15-05-89	Shree Vishudhanand Hospital & Research Institute, Consultant Skin Specialist – 3 years 8 months
510	Singh Gurucharan	47	Deputy Divisional Manager	3,09,849	2,32,950	B.Sc. Engg. (Electronics)	19	27-12-78	Laxsons Engg. & Electronics Pvt. Ltd., Sales & Service Engineer – 6 months
511	Singh J. P.	50	Divisional Manager (A & P)	3,28,136	2,38,225	P.G. (Hons), Dip. in I. R.	24	01-04-74	—
512	Singh J. P.	47	Divisional Manager	3,16,742	2,35,740	B.Sc. Engg. (Elect.)	25	29-12-73	Bokaro Steel Ltd., Technical Assistant – 1 year
513	Singh Jai Prakash	41	Divisional Manager	3,01,267	2,18,920	B.Sc. Engg. (Mech.)	17	30-03-81	—
514	Singh Mahesh Prasad	51	Deputy Divisional Manager	3,59,713	2,69,561	B.Sc. Engg. (Mech.)	29	09-02-70	Govt. of Bihar, Irrigation Department, Assistant Engineer Trainee – 1 year
515	Singh P. K.	48	Deputy Divisional Manager	3,04,873	2,22,935	B.Sc. Engg. (Mech.)	25	03-10-72	—
516	Singh P. N.	56	Assistant General Manager	3,75,860	2,66,032	I.Sc., AISM	31	15-10-66	—
517	Singh R. B.	54	Senior Divisional Manager (Electrical)	3,32,213	2,27,953	B.Sc. Engg. (Elect.)	31	11-11-66	—
518	Singh R. P.	53	General Manager (CRM Project)	6,09,350	3,66,400	B.Sc. Engg. (Mech.)	32	01-03-96	SAIL & RINL, General Manager(Projects) – 30 years
519	Singh R. S.	49	Senior Divisional Manager	3,65,304	2,57,679	B.Sc. (Hons), 1st Class in Mining	26	03-06-71	—
520	Singh Sanjay	44	Director(Corporate Communications)	3,81,246	2,63,949	M.A., P.G.D.B.M.	19	01-11-78	—
521	Singh Shekhar	39	Divisional Manager (Administration)	3,30,799	2,32,813	B.A. (Hons.)	17	01-01-81	—
522	Singh Shivaji	55	Senior Divisional Manager	3,45,805	2,58,205	B.Sc. Engg. (Mech.)	34	24-08-63	—
523	Singh Shyam Sunder	59	Chief of Security	3,61,550	2,56,924	I.A., Police Officers' Training Course	41	14-05-63	Bihar Police (Govt. of Bihar), S.I. of Police – 6 years – 10 months

NINETY-FIRST ANNUAL REPORT 1997-98

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation – Period for which post held
524	Singh Thakur K. P.	57	Assistant General Manager (Security)	3,40,850	2,48,548	B.A., M.A.(Pre.) Geography	30	08-02-93	Govt. of Bihar/Govt. of India, S.P. (Security) Special Branch, Patna – 25 years
525	Singhal D. C.	58	Assistant General Manager	3,74,027	2,60,275	B.Tech. (Hons.), Mech. Engg.	35	15-12-62	Telco, Engineer – 6 months
526	Singhal Dr. (Mrs) S.	41	Associate Specialist (O & G)	3,37,151	2,55,158	M.B.B.S., M.S. (Obst. & Gyn.)	14	01-12-86	Bihar Govt. Health Services, Civil Asst. Surgeon – 3 years
527	Singhal Dr. N. C.	48	Specialist (Medicine)	3,85,950	2,82,704	M.B.B.S., M.D.	21	21-03-77	—
528	Singhal Umesh	52	Senior Divisional Manager	3,97,994	2,86,025	B.Tech. (Mech.)	30	30-12-67	—
529	Singh Harbans	58	Assistant Divisional Manager	3,07,308	2,30,813	Dip-Engg.	42	16-09-55	—
530	Singh B. K.	56	Divisional Manager	3,32,030	2,40,290	B.Sc., Diploma in Metallurgy	36	05-02-62	—
531	Singh R. B.	55	Deputy Manager	3,34,846	2,63,721	B.A., Dip-Engg., LSW	37	30-12-60	—
532	Singh Awadh Behari	56	Assistant Divisional Manager	3,35,266	2,58,600	Dip-Engg.	34	16-12-63	—
533	Singh Ram Chhabila	55	Assistant Manager	3,08,344	2,36,601	B.Sc.	33	15-04-64	—
534	Singh Dr. U. S.	50	Senior Registrar	3,42,547	2,50,353	B.D.S.	27	05-04-71	—
535	Singh J.	51	Senior Divisional Manager	3,32,087	2,39,743	B.Sc. (Engg.), P.G.D.B.M.	28	13-12-69	—
536	Singh R. N.	49	Deputy Divisional Manager	3,27,840	2,55,547	Dip-Engg.	28	30-12-69	—
537	Singh N. K.	49	Deputy Manager	3,05,366	2,26,961	B.Sc.	28	25-10-69	—
538	Singh Ramesh	52	Assistant Divisional Manager	3,06,241	2,30,920	B.Sc. (Engg.)	25	11-12-72	—
539	Singh Binay Kumar	50	Senior Divisional Manager	3,47,213	2,50,165	B.E. Met. Engg.	27	19-12-70	—
540	Singh Jagir	46	Deputy Divisional Manager	3,39,976	2,59,823	B.Sc. (Engg.)	23	15-03-75	—
541	Singh Sukhdev	46	Senior Divisional Manager	3,10,962	2,22,266	AMIE	14	07-03-84	—
542	Singh Rama Kant	47	Divisional Manager	3,33,848	2,53,480	B.E.	22	01-09-75	—
543	Singh J.B.	43	Assistant Manager	3,19,942	2,38,276	B.Sc., M.Sc.	23	04-01-75	—
544	Singh Dr. D. K.	50	Registrar	3,04,316	2,22,530	M.B.B.S.	19	18-05-78	—
545	Singh A. K.	44	Divisional Manager	3,34,229	2,40,400	B.Sc. (Engg.)	20	09-01-78	—
546	Singh Amar Nath	40	Deputy Divisional Manager	3,17,872	2,43,794	B.Sc. Engg. Elect.	16	01-07-81	—
547	Singh Dr. V. K.	43	Senior Registrar	3,55,138	2,66,967	M.B.B.S.	16	15-02-82	—
548	Singh Dr. Preetam	43	Senior Specialist (Radio-Diagnosis)	3,37,872	2,34,121	B.Sc., M.B.B.S., M.D.	3	01-11-94	—
549	Singh U. P.	53	Divisional Manager	3,16,136	2,36,125	Dip-Engg.	26	24-01-72	—
550	Singh R. P.	45	Senior Divisional Manager	3,37,742	2,49,762	B.Com., PGD. (PM & IR)	20	14-04-77	—
551	Singh R. P.	41	Deputy Divisional Manager	3,21,853	2,51,207	B.Tech. (Me.), D.B.M.	17	22-01-81	—
552	Singhal R. L.	50	Senior Divisional Manager	3,10,175	2,11,231	B.Sc. (Elect. Engg.)	29	01-01-69	—
553	Singh B. K.	45	Deputy Divisional Manager(Engg.)	3,23,697	2,49,618	B.Sc. (Engg.) Mech.	21	07-02-77	—
554	Singh S. C.	39	Deputy Divisional Manager(M)	3,03,575	2,27,898	B. Tech. (Mining)	17	01-08-81	—
555	Singh Dr. R.	50	Divisional Manager(M)	3,70,098	2,73,108	B.Sc. (Mining.), M.Tech. (M) Doctoral Fellow	25	01-05-73	—
556	Singh K. K.	38	Deputy Divisional Manager	3,51,523	2,72,196	B.Sc. Engg. (Mech)	21	24-08-77	—
557	Singh J. P.	43	Assistant Divisional Manager	3,43,067	2,56,191	B.Sc. Engg. Elect., DISM.	17	01-08-81	—
558	Singh Ashok Kumar	49	Assistant General Manager (HR)	3,20,152	2,24,464	B.Sc., P.G. Dip. in I. R.	24	03-06-74	—
559	Sinha Dr. A. B.	57	Deputy Chief Medical Officer	3,53,912	2,84,063	M.B.B.S., F.R.C.S.	25	26-06-72	—
560	Sinha Dr. T. G. N.	56	Senior Specialist (ENT.)	3,54,791	2,60,473	M.S. (ENT.), FICS. (ENT.) USA	24	01-01-74	—
561	Sinha A. K.	53	Deputy Divisional Manager	3,25,407	2,46,387	B.Tech. (Hons) (Mining Engg.), 1st Class Mines Manager Certificate	22	01-05-78	Bool, Assistant Manager – 2 years
562	Sinha B. K.	52	Deputy General Manager (Personnel) Works	3,28,557	2,29,306	B.Sc. (Hons), B.Tech.	19	01-01-81	Shri Ram Fertilisers & Chemicals, Manager – 2 years, 3 months
563	Sinha Dr. G. L.	53	Senior Registrar	3,07,167	2,26,951	M.B.B.S., O.M.R.D.	26	30-07-71	—
564	Sinha Dr. (Mrs) K. B.	59	Senior Specialist (Obs-Cum-Gyn.) & Head of the Department	3,74,317	2,56,426	M.B.B.S.	36	11-11-61	—
565	Sinha Dr. N. K.	43	Associate Specialist (Ortho)	3,08,134	2,21,331	M.B.B.S., D. (Ortho), M.S.(Ortho.)	14	28-04-83	—
566	Sinha N. P.	59	Vice President	13,27,452	8,98,912	B.Sc. Engg. (Elect.), P.G.D.M.I. & S.	39	27-12-58	—

THE TATA IRON AND STEEL COMPANY LIMITED

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation - Period for which post held
(Engineering & Raw Materials)									
567	Sinha P. N.	59	Assistant Divisional Manager	3,12,090	2,37,640	Dip. in Civil Engg.	40	09-05-61	Govt. of Bihar, Overseer (Section Officer) - 3 years, 8 months
568	Sinha Prabhat	49	Director (Town Services)	4,29,152	2,99,830	B.Sc. Engg. (Civil)	25	01-11-72	—
569	Sinha Prabir Kumar	47	Manager	3,21,633	2,38,396	B.E. (Metallurgy)	24	19-08-77	Zenith Steel Pipes Ltd., Maharashtra, Shift Incharge - 3 years, 6 months
570	Sinha S. K.	57	Assistant Divisional Manager (Civil)	3,08,309	2,32,700	Dip. in Civil Engg.	36	21-04-61	—
571	Sinha Ranveer	43	Director (ITD)	3,56,773	2,44,652	B.E. (Mech.), P.G.D.B.M.	19	15-05-78	—
572	Sinha U. K.	55	Deputy Divisional Manager	3,15,894	2,40,774	Mech. Engineering	38	24-10-59	—
573	Sinha V. K.	51	Senior Divisional Manager	3,23,868	2,29,447	B.Sc., Engg. (Mech.), P.G.D.B.M.	28	29-12-69	Motilal Nehru Regional Engg. College, Associate Lecturer - 4 months
574	Sinha V. P.	49	Divisional Manager (Project)	3,21,577	2,29,141	B.Sc. (Hons) Mining	28	01-01-70	—
575	Sinha V. P.	60	Controller of Legal Services	3,82,089	2,76,755	M.A., B.L.	34	01-04-64	—
576	Sinha Yashvir	50	Divisional Manager	3,17,977	2,20,284	B.Sc., M.B.A.	27	26-10-70	—
577	Sinha A. K.	54	Senior Divisional Manager	3,47,399	2,46,213	B.Sc. (Engg.) (Met.), P.G.D.B.M.	34	04-09-63	—
578	Sinha R. S.	58	Deputy Divisional Manager	3,10,347	2,37,435	B.Sc. (Engg.)	33	31-10-64	—
579	Sinha Dr. G. P.	51	Assistant General Manager	3,54,776	2,47,229	B.Sc. (Engg.)	27	01-10-70	—
580	Sinha Amarnath	49	Deputy Divisional Manager	3,09,906	2,37,798	B.Sc. (Engg.)	22	23-03-76	—
581	Sinha A. K.	47	Divisional Manager	3,55,047	2,63,930	B.Sc. (Engg.), P.G.D.B.M.	23	28-12-74	—
582	Sinha Prakash Chandra	43	Deputy Divisional Manager	3,20,897	2,45,190	B.Sc. (Engg.), P.G.D.B.M.	20	09-01-78	—
583	Sinha Bijoy Kumar	49	Chief Sales Manager(S)	3,70,765	2,63,046	B.Sc. (Engg.) Metallurgy	25	03-10-72	—
584	Sinha J. P.	56	Divisional Manager(RMC)	3,17,156	2,20,878	B.Sc. (Mining)	31	16-10-67	—
585	Sokhi Dr. (Mrs) S. K.	58	Registrar	3,46,046	2,62,364	M.B.B.S.	18	01-12-79	—
586	Soy J. S. K.	51	Divisional Manager	3,14,999	2,25,509	B.Sc. Engg. (Mech.)	28	13-12-69	—
587	Sri Ramulu P.	55	Controller of Internal Audit	3,94,298	2,80,804	B.Com., A.C.A., A.I.W.C.A.	31	01-10-70	A.F. Ferguson & Co., Audit Officer - 4 years
588	Srivastava Dr. V. K.	55	Chief Medical Officer	3,54,382	2,42,634	M.B.B.S., M.D.	29	14-12-68	—
589	Srivastava G. K.	55	Deputy Divisional Manager	3,41,892	2,60,000	B.Sc., B.E. (Civil)	30	01-04-71	Bharat Spun Pipe Co., Ranchi, Engineer - 9 months
590	Srivastava N. P.	53	Deputy Divisional Manager	3,08,872	2,33,526	B.Tech. (Mech.), M.I.E.	31	19-01-76	Jermco Ltd., Foundry Technologist - 2 years
591	Srivastava Ved Prakash	38	Deputy Divisional Manager	3,17,866	2,37,458	B.Tech.	17	01-08-80	—
592	Srivastava Uday Kumar	51	Senior Divisional Manager	3,45,805	2,56,148	B.Sc. (Engg.), P.G.D.B.M.	29	21-12-68	—
593	Srivastava V. K.	51	Divisional Manager (Plang. & Logistic)	3,14,482	2,25,437	B.Sc. (Hons) Mining Engg.	27	06-04-71	—
594	Srvastava Gopal Prasad	54	Marketing Manager	3,76,075	2,58,899	B.Sc. Engg. (Met.)	35	15-12-62	—
595	Subrahmany Dr. V. V. V.	48	Deputy Divisional Manager	3,26,671	2,55,292	M.Sc., Ph.D.	18	06-06-79	—
596	Sukumaran T.	59	Assistant Divisional Manager	3,04,872	2,35,843	B.Com., L.L.B.	37	19-07-60	—
597	Suman Parijat	45	Deputy Divisional Manager	3,09,552	2,33,065	B.Sc. (Engg.), P.G.D.B.M.	19	01-01-79	—
598	Sundaram Dr. P. A.	53	Senior Registrar	3,41,758	2,50,434	M.B.B.S.	26	29-03-72	—
599	Sunder Shyam	36	Deputy Divisional Manager	3,33,453	2,50,077	B.E.	14	08-08-83	—
600	Sur B. K.	53	Divisional Manager	3,08,760	2,23,336	LME	14	05-12-83	—
601	Surendranath B.	52	Divisional Manager	3,13,702	2,32,133	B.Sc. (Engg.)	27	19-12-70	—
602	Suryavanshi Major R. H.	43	Deputy Divisional Manager	3,37,187	2,49,104	B.Sc. (Hons), L.L.B.	18	01-11-88	Indian Army, Commissioned Officer - 9 years
603	Swamy P. N.	56	Assistant Divisional Manager (Stores)	3,05,019	2,10,191	M.A.	35	14-05-84	Indian Air Force, Wing Commander - 4 years, 8 months

Sr. No.	Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration Rs.	Net Remuneration Rs.	Qualifications	Total Experience (Years)	Date of Commencement of Employment	Last employment held Designation - Period for which post held
604	Takkar J. K.	57	Assistant General Manager (Mech.)	3,74,026	2,71,417	B.Sc. (Mech.Engg.)	35	15-12-62	—
605	Tamhane V.	45	Senior Commercial Manager	3,63,435	2,62,554	B.Tech. (Hons)	20	01-08-77	—
606	Tandon P. P.	57	Senior Divisional Manager	3,14,742	2,13,088	B.Sc. (Mining Engg.), 1st Class Mines Mgr.'s Certificate, B.Tech. (Hons)	35	15-12-62	—
607	Tank S.D.	56	Assistant General Manager (S&Cp)	3,69,902	2,66,863	B.Tech., ICWA, P.G.D.B.M.	33	31-10-64	—
608	Tata Dr. (Mrs.) R.	52	Senior Specialist (Obst. & Gyn.)	3,85,507	2,62,131	M.B.B.S., D.O.G. M.D.	16	03-08-81	—
609	Thakur S. S.	49	Senior Specialist	3,32,224	2,46,304	M.B.B.S., D.A., Diploma Anaesthesia	25	05-04-73	—
610	Thawani Suresh	46	Assistant Director-Domestic	3,75,220	2,64,793	B. Tech. (Hons)	25	03-10-72	—
611	Tirkey Dr. (Ms.) R	54	Registrar	3,07,937	2,29,063	M.B.B.S.	27	12-05-70	—
612	Tiwary Shambhu	39	Assistant Divisional Manager	3,52,584	2,72,306	B.Sc. (Engg.)	14	01-11-83	—
613	Tiwari Ashok Kumar	47	Deputy Divisional Manager	3,43,479	2,53,258	B.Sc. (Mech.), P.G.D.B.M.	25	08-12-72	—
614	Tiwari B. M.	54	Divisional Manager (Engg.)	3,06,598	2,25,212	B.Sc. (Engg.) Elect.	32	17-10-66	—
615	Topno Dr. (Ms.) Anita	43	Associate Specialist (Paediatrics)	3,03,236	2,22,291	M.B.B.S., M.D.	16	15-02-82	—
616	Tripathy R. K.	55	Divisional Manager (M)	3,21,829	2,31,814	B.Sc. (Mech.)	29	06-01-69	—
617	Trivedi A. K.	49	Manager	3,10,233	2,35,750	B.E. (Civil), M.Sc. Engg. (Struct)	24	05-04-76	N.B.C.C. Ltd., Jr. Engineer, — 3 years
618	Tyagi R. P.	58	Senior General Manager (Works)	9,64,662	6,48,765	B.Sc., B.Sc. (Mech.Engg.)	34	24-08-63	—
619	Upadhyay Dr.(Mrs) Usha	46	Senior Registrar	3,16,018	2,34,666	M.B.B.S.	16	13-04-81	—
620	Upadhaya K.S.	55	Deputy Divisional Manager	3,25,811	2,51,248	I.Sc., Dip.in Mech. Engg.	35	08-03-63	—
621	Upadhyaya Dr. D.	50	Assistant Divisional Manager	3,60,819	2,63,782	M.B.B.S., D.S.M.	19	24-05-78	—
622	Uppal Ashok	52	Assistant General Manager (Tubes)	3,66,702	2,52,137	B.Sc. (Mech.Engg.)	30	01-12-67	Tata Metaliks, General Manager - 1 year - 9 months
623	Vandrevala F. A.	47	Vice President (Marketing & Sales)	13,43,332	9,06,308	B.Tech. (Hons), P.G.D.B.M.	25	01-10-72	—
624	Verma Dr. Prabhat	47	Associate Specialist	3,41,753	2,48,770	M.B.B.S., M.D, F.I.P.S.	20	04-03-78	—
625	Verma Shree Krishna	47	Divisional Manager(P & S)	3,02,087	2,16,040	B.Sc. (Engg.) Hons, (Mech. Engg.), P.G.D.B.M. Dip. In Elect. & Metallurgical Engg.	25	03-10-72	—
626	Verma S. C.	53	Senior Divisional Manager	3,37,877	2,28,009	B.A. (Hons), Dip. in IR & LW	28	08-08-69	—
627	Verma P.L.	50	Deputy Divisional Manager	3,20,140	2,47,233	B.A., M.A.	27	10-12-70	—
628	Verughese K. K.	46	Divisional Manager(Accounts)	3,13,305	2,13,793	B.Sc., C.A.	21	23-12-76	—
629	Virmani Dr. A. K.	43	Specialist(Nuclear Medicine)	3,78,115	2,67,590	M.B.B.S., M.D. (General Medicine), D.R.M.	20	23-08-77	—
630	Viswanathan P. A.	59	Deputy General Manager(Planning)	3,58,809	2,50,630	B.E. (Hons) in Mech. Engg.	38	19-12-59	—
631	Wagji Dr. R.	51	Senior Resident Medical Officer	3,62,374	2,60,050	M.B.B.S.	24	03-10-73	—
632	Waklu Bharat	38	Senior Divisional Manager	3,52,587	2,54,699	B.E, P.G.D.B.M.	12	15-07-85	—
633	Yadav A. K.	50	Deputy Divisional Manager	3,39,400	2,51,181	B.E. (Elect. Engg.)	25	01-10-72	—

* Indicates earnings for part of the year

- Notes: (1) Gross remuneration comprises salary, allowances, monetary value of perquisites, commission to the Directors and the Company's contribution to Provident and Superannuation Funds but excludes contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.
- (2) Net remuneration is after tax and is exclusive of Company's contribution to Provident and Superannuation Funds and monetary value of non-cash perquisites.
- (3) The nature of employment in all cases is contractual.
- (4) None of the employees mentioned above is a relative of any Directors of the Company.

On behalf of the Board of Directors

RATAN N. TATA
Chairman

Mumbai, 28th May, 1998.

THE TATA IRON AND STEEL COMPANY LIMITED

Highlights

	1997-98	1996-97
	Rupees Crores	Rupees Crores
Gross revenue	6516.58	6409.43
Profit before taxes	363.33	542.21
Profit after taxes	322.08	469.21
Dividends	147.25	165.66
Retained earnings	503.33	613.81
Capital employed	8627.76	7976.83
Net worth	3767.81	3695.70
Borrowings	4579.14	4082.65
	Ratio	Ratio
Debt : Equity	56:44	53:47
Net worth per Share as at year end*	Rupees 102.35	Rupees 100.39
Earnings per Share**	Rupees 8.75	Rupees 12.75
Dividend per Share	40%	45%
Employees (Numbers)	64,753	68,352
Shareholders (Numbers)	931,816	946,235

* Calculated on the number of Shares including Shares issued during the year.

** Calculated on Effective Capital during the year.

Sources and Utilisation of Funds

(Rupees crores)

	1997-98	1996-97	1995-96	1994-95	1993-94	Total for 1993-94 to 1997-98
SOURCES OF FUNDS :						
1. CASH GENERATED FROM OPERATIONS :						
(a) PROFIT AFTER TAXES	322.08	469.21	565.79	281.12	180.84	1819.04
(b) DEPRECIATION	343.23	326.83	297.61	247.93	177.70	1393.30
(c) OTHER INCOME AND ADJUSTMENTS	14.21	240.12	44.49	2.89	1.37	303.08
	679.52	1036.16	907.89	531.94	359.91	3515.42
(d) LESS : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES FOR PRIOR PERIOD	—	—	45.18	16.93	—	62.11
(e) TOTAL	679.52	1036.16	862.71	515.01	359.91	3453.31
2. SHARE CAPITAL @	1.45	1.22	651.31	17.30	454.06	1125.34
3. OPTION MONEY ON NAKED WARRANTS	—	—	—	36.30	—	36.30
4. SALE OF INVESTMENTS (NET)	41.45	—	—	40.97	—	82.42
5. NET INCREASE IN BORROWINGS	496.49	240.51	280.90	132.65	389.04	1539.59
	1218.91	1277.89	1794.92	742.23	1203.01	6236.96
UTILISATION OF FUNDS :						
6. CAPITAL EXPENDITURE	1,119.44	756.37	519.07	539.86	995.82	3930.56
7. INVESTMENTS (NET)	—	253.96	190.29	—	91.56	535.81
8. DIVIDENDS	161.98#	182.23#	156.97	118.24	96.55	715.97
9. NET INCREASE/(DECREASE) IN WORKING CAPITAL †	(81.26)	(25.00)	791.93	88.73	(10.75)	763.65
10. MISC. EXPENDITURE	18.75*	110.33	136.66	(4.60)	29.83	290.97
	1218.91	1277.89	1794.92	742.23	1203.01	6236.96

@ Including Share Premium of Rs. 1.27 crores (1996-97 : Rs. 1.07 crores, 1995-96 : 657.25 crores, 1994-95 : Rs. 15.64 crores, 1993-94 : 397.30 crores).

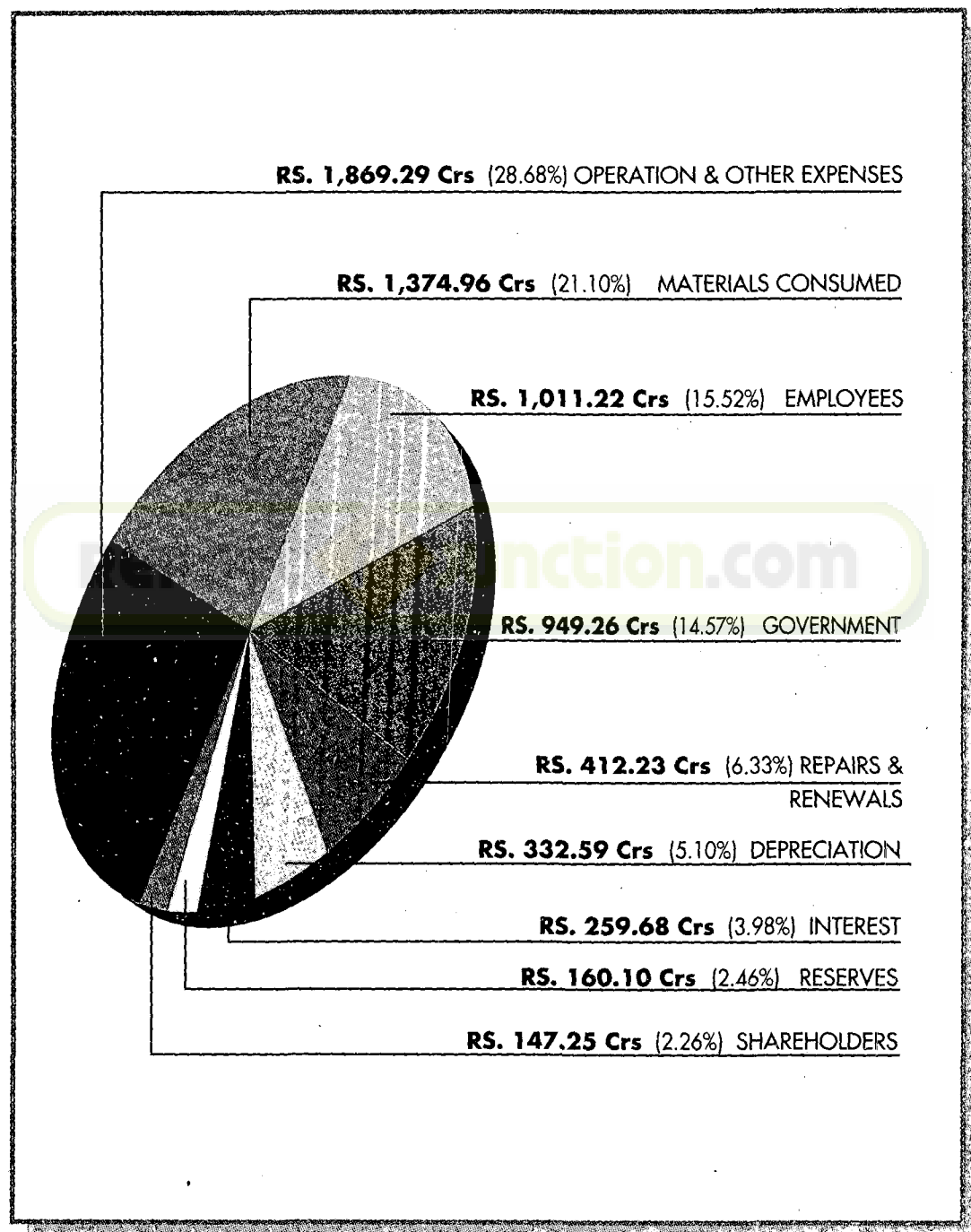
Including tax on dividends Rs. 14.73 crores. (1996-97 : Rs. 16.57 crores)

† Stocks and stores, book debts, advances and cash balances less trade creditors, provisions etc.

* Expenses of Employee Separation Compensation/Voluntary Retirement Compensation not amortised.

THE TATA IRON AND STEEL COMPANY LIMITED

Distribution of Revenue 1997-98



Auditors' Report

TO THE MEMBERS OF
THE TATA IRON AND STEEL COMPANY LIMITED

We have audited the attached Balance Sheet of THE TATA IRON AND STEEL COMPANY LIMITED as at 31st March, 1998 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto.

We report as follows :

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph (1) above :
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) the Balance Sheet and the Profit and Loss Account are in agreement with the books of account;
 - (d) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view —
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998 and
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

For A. F. FERGUSON & CO.,
Chartered Accountants,
V. K. KALRA
Partner.

Mumbai, 28th May, 1998.

For S. B. BILLIMORIA & CO.,
Chartered Accountants,
Y. H. MALEGAM
Partner.

Annexure to the Auditors' Report

(Referred to in paragraph (1) of our report of even date)

- (i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. A major portion of the assets has been physically verified by the Management in accordance with a phased programme of verification adopted by the Company. In our opinion, the frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on verification.
- (ii) None of the fixed assets have been revalued during the year.
- (iii) The stocks of finished and semi-finished goods and raw materials at Works, Mines and Collieries have been physically verified during the year by the Management. In respect of stores and spare parts and stocks at Stockyards and with Consignment/Conversion Agents, the Company has a programme of verification of stocks over a three year period. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable. In the case of materials lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held.
- (iv) In our opinion and according to the information and explanations given to us, the procedures of verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (v) The discrepancies noticed between the physical stocks as verified and book records were not material.
- (vi) In our opinion, on the basis of our examination of the stock records, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- (vii) The rates of interest and other terms and conditions of loans taken by the Company from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, are, in our opinion, *prima facie* not prejudicial to the interest of the Company. There are no companies under the same Management as defined under sub-section (1B) of Section 370 of the said Act.
- (viii) The rates of interest and the terms and conditions of loans granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, are, in our opinion, *prima facie* not prejudicial to the interest of the Company. There are no companies under the same Management as defined under sub-section (1B) of Section 370 of the said Act.
- (ix) Except in respect of doubtful loans and advances referred to in Note 10 in Notes to the Accounts and advances of Rs. 5.07 crores which have been fully provided for, in respect of loans and advances in the nature of loans given by the Company where stipulations have been made, parties have generally repaid the principal amounts as stipulated and have also been generally regular in payment of interest. In our opinion, having regard to the nature of the loans, reasonable steps have been taken for recovery.
- (x) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
- (xi) In our opinion and having regard to our comments in paragraph (x) above and according to the information and explanations given to us, where transactions have been made with different parties, the transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party have been made at prices which are reasonable, having regard to the prevailing market prices for such goods, materials or services where such market prices are available or the prices at which transactions for similar goods or materials have been made with other parties.

- (xii) As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
- (xiii) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (xiv) In our opinion, reasonable records have been maintained by the Company for the sale and disposal of by-products and scrap.
- (xv) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (xvi) We have broadly reviewed the books of account maintained by the Company in respect of manufacture of bearings, steel tubes and pipes and cement pursuant to the Order made by the Central Government for maintenance of cost records prescribed under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any other product of the Company.
- (xvii) According to the records of the Company, provident fund dues have been regularly deposited during the year with the appropriate authorities in accordance with the procedure agreed with them and there are no arrears of provident fund dues as at 31st March, 1998. We are informed that the Company intends to obtain exemption from the operation of the Employees' State Insurance Act at all locations and necessary steps have been taken by the Company. We are also informed that action taken by the authorities at some locations to bring the employees of the Company under the Employees' State Insurance Scheme has been contested by the Company and accordingly full payment has not been made of the contributions demanded.
- (xviii) In respect of Sales Tax collected or deemed to be collected, there are no undisputed amounts outstanding as on 31st March, 1998 for a period of more than six months from the date on which they became payable except for collections which we are informed are refundable to customers because they have been made in excess or which have been made pending receipt of the relevant certificates from the customers.

In respect of undisputed income-tax, wealth tax, customs duty and excise duty, there were no amounts outstanding as on 31st March, 1998 which have remained unpaid for more than six months from the date on which they became payable.
- (xix) According to the information and explanations given to us and the records examined by us, no personal expenses have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- (xx) The Company is not a sick industrial company within the meaning of Clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xxi) In respect of the Company's trading activity, we are informed that there are no damaged stocks.

For A. F. FERGUSON & CO.,
Chartered Accountants,

V. K. KALRA
Partner.

Mumbai, 28th May, 1998.

For S. B. BILLIMORIA & CO.,
Chartered Accountants,

Y. H. MALEGAM
Partner.

THE TATA IRON AND STEEL COMPANY LIMITED

Balance Sheet as at 31st March, 1998

Schedule	Page	FUNDS EMPLOYED :		Rupees crores	Rupees crores	As at 31-3-1997 Rupees crores
A	45	1.	SHARE CAPITAL		367.56	367.38
B	46	2.	RESERVES AND SURPLUS		3697.32	3606.64
		3.	TOTAL SHAREHOLDERS' FUNDS		4064.88	3974.02
		4.	LOANS			
C	47	a	Secured	3668.13		3439.08
D	50	b	Unsecured	911.01		643.57
		c	Total Loans		4579.14	4082.65
		5.	PROVISION FOR EMPLOYEE SEPARATION COMPENSATION (See Note 7(a) & (c), Page 59)		280.81	198.48
		6.	TOTAL FUNDS EMPLOYED		8924.83	8255.15
		APPLICATION OF FUNDS :				
E	50	7.	FIXED ASSETS			
		a	Gross Block	8948.52		7850.82
		b	Less — Depreciation	2648.48		2324.42
		c	Net Block		6300.04	5526.40
F	51	8.	INVESTMENTS		623.45	664.90
		9.	A. CURRENT ASSETS			
		a	Stores and spare parts, at cost	265.64		274.10
G	55	b	Stock-in-trade	792.68		766.30
H	55	c	Sundry debtors	1256.08		1335.77
		d	Interest accrued on investments	3.97		7.29
I	56	e	Cash and Bank balances	429.41		251.38
				2747.78		2634.84
J	56	B.	LOANS AND ADVANCES	672.36		816.41
				3420.14		3451.25
		10.	Less : CURRENT LIABILITIES AND PROVISIONS			
K	57	A.	Current Liabilities	1414.50		1385.31
L	57	B.	Provisions	301.37		280.41
				1715.87		1665.72
		11.	NET CURRENT ASSETS		1704.27	1785.53
M	57	12.	MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		297.07	278.32
		13.	TOTAL ASSETS (Net)		8924.83	8255.15
N	58		Contingent Liabilities (See Note 2, Page 59) NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT			

As per our report attached

For A. F. FERGUSON & CO.,
Chartered Accountants,
V. K. KALRA
Partner.

For S. B. BILLIMORIA & CO.,
Chartered Accountants,
Y. H. MALEGAM
Partner.

MRS. S. S. KUDTARKAR
Company Secretary

For and on behalf of the Board

RATAN N. TATA
Chairman

JAMSHED J. IRANI
Managing Director

Mumbai, 28th May, 1998

Mumbai, 28th May, 1998



Profit and Loss Account for the year ended 31st March, 1998

Schedule	Page	INCOME :	Rupees crores	Rupees crores	Previous Year Rupees crores
1	42	1. SALE OF PRODUCTS AND SERVICES	6433.49		6351.46
2	42	2. OTHER INCOME	83.09		57.97
				6516.58	6409.43
		EXPENDITURE :			
4	43	3. MANUFACTURING AND OTHER EXPENSES	5623.72		5321.86
		4. DEPRECIATION	343.23		326.83
			5966.95		5648.69
		5. Less — EXPENDITURE (OTHER THAN INTEREST) TRANSFERRED TO CAPITAL ACCOUNTS	185.57		134.53
			5781.38		5514.16
3	42	6. INTEREST	259.68		274.36
		7. TOTAL EXPENDITURE		6041.06	5788.52
		PROFIT BEFORE TAXES AND EMPLOYEE SEPARATION COMPENSATION		475.52	620.91
		8. EMPLOYEE SEPARATION COMPENSATION [Refer Schedule M, Item (c), Page 57]		112.19	78.70
		PROFIT BEFORE TAXES		363.33	542.21
		9. TAXES		41.25	73.00
		PROFIT AFTER TAXES		322.08	469.21
		10. Less — AMOUNT TRANSFERRED TO DEBENTURE REDEMPTION RESERVE		100.00	150.00
				222.08	319.21
		11. Add — AMOUNT TRANSFERRED FROM INVESTMENT ALLOWANCE (UTILISED) RESERVE		29.00	27.04
				251.08	346.25
		12. BALANCE BROUGHT FORWARD FROM LAST YEAR		82.42	68.40
		AMOUNT AVAILABLE FOR APPROPRIATIONS		333.50	414.65
		13. APPROPRIATIONS :			
		(a) PROPOSED DIVIDENDS (Details as per Directors' Report, Page 8)	147.25		165.66
		(b) TAX ON DIVIDENDS	14.73		16.57
			161.98		182.23
		(c) GENERAL RESERVE	90.00		150.00
				251.98	332.23
		BALANCE CARRIED TO BALANCE SHEET		81.52	82.42
N	58	NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT			

As per our report attached

For A. F. FERGUSON & CO.,
Chartered Accountants,
V. K. KALRA
Partner.

For S. B. BILLIMORIA & CO.,
Chartered Accountants,
Y. H. MALEGAM
Partner.

MRS. S. S. KUDTARKAR
Company Secretary

For and on behalf of the Board

RATAN N. TATA
Chairman

JAMSHED J. IRANI
Managing Director

Mumbai, 28th May, 1998

Mumbai, 28th May, 1998

THE TATA IRON AND STEEL COMPANY LIMITED

Schedules forming part of the profit and loss account

SCHEDULE 1 : SALE OF PRODUCTS AND SERVICES :—

(Item No. 1, page 41)

- (a) Sale of products
- (b) Sale of power and water
- (c) Income from services, sale of miscellaneous goods and stores, rent etc. [Including lease rentals of **Rs. 4.22** crores (1996-97 : *Rs. 2.96* crores) on Wagons leased to Railways under Own Your Wagon Scheme.]

	Rupees crores	Rupees crores	Previous Year Rupees crores
(a) Sale of products		6117.47	6060.32
(b) Sale of power and water		163.37	157.23
(c) Income from services, sale of miscellaneous goods and stores, rent etc. [Including lease rentals of Rs. 4.22 crores (1996-97 : <i>Rs. 2.96</i> crores) on Wagons leased to Railways under Own Your Wagon Scheme.]		152.65	133.91
		6433.49	6351.46
SCHEDULE 2 : OTHER INCOME :—			
(Item No. 2, page 41)			
(a) Income from Investments [Gross, inclusive of tax deducted at source : Rs. 7.45 crores (1996-97 : <i>Rs. 12.61</i> crores)]			
(i) Trade investments	23.26		21.28
(ii) Investments in subsidiary companies	3.45		4.62
(iii) Other investments	28.43		20.87
		55.14*	46.77*
(b) Profit on sale/redemption of Investments [includes profit of Rs. 3.86 crores (1996-97 : <i>Rs. 2.37</i> crores) on sale of current investments]		13.22	3.13
(c) Profit on sale of capital assets		11.29	8.07
(d) Exchange gain (net)		0.36	—
(e) Short credits in previous year (net)		3.08	—
		83.09	57.97
SCHEDULE 3 : INTEREST :—			
(Item No. 6, page 41)			
1. Interest on			
(i) Debentures and Fixed Loans [including Rs. 1,16,387 (1996-97 : <i>Rs. 88,654</i>) in respect of Debentures/Bonds held by the Directors]		418.45	413.02
(ii) Others		46.69	50.93
		465.14	463.95
Less — Interest capitalised		141.72	74.87
		323.42	389.08
2. Less —			
(i) Interest received on sundry advances, deposits, customers' balances etc., [Gross, inclusive of tax deducted at source Rs. 12.25 crores (1996-97 : <i>Rs. 14.94</i> crores)]	61.66		103.75
(ii) Income from Bills and Certificates of Deposit	2.08		10.97
		63.74	114.72
		259.68	274.36

* Includes Income from Current Investments **Rs. 25.07** crores (1996-97 : *Rs. 18.82* crores).

2007-08

Schedule forming part of the profit and loss account

SCHEDULE 4 : MANUFACTURING AND OTHER EXPENSES :— (Item No. 3, page 41)

	Rupees crores	Rupees crores	Previous Year Rupees crores
1. PURCHASES OF FINISHED, SEMI-FINISHED STEEL AND OTHER PRODUCTS		452.58	477.19
2. RAW MATERIALS CONSUMED :			
(a) Stock on 1st April, 1997	231.24		353.57
(b) Add — (i) Purchases	723.12		552.80
(ii) Cost of raw materials produced	290.36		271.87
	1244.72		1178.24
(c) Less — Stock on 31st March, 1998	253.49		231.24
		991.23	947.00
3. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :			
(a) Wages and salaries, including bonus	816.90		755.52
(b) Company's contributions to provident and other funds	114.49		112.12
		931.39	867.64
4. OPERATION AND OTHER EXPENSES :			
(a) Stores consumed	295.84		268.62
(b) Fuel oil consumed	43.32		46.91
(c) Repairs to buildings	16.45		19.73
(d) Repairs to machinery	374.58		380.49
(e) Relining expenses	34.39		39.39
(f) Conversion charges	212.79		212.44
(g) Purchase of power	527.91		410.08
(h) Rent	7.88		7.35
(i) Royalty	94.55		87.68
(j) Rates and taxes	35.30		26.83
(k) Insurance charges	6.09		6.27
(l) Commission, discounts and rebates	78.14		91.68
(m) Provision for Wealth Tax	0.40		0.75
(n) Short Debits in previous years (net)	—		2.42
(o) Other expenses	237.91		228.58
		1965.55	1829.22
5. FREIGHT AND HANDLING CHARGES		544.01	534.52
6. PROVISION FOR DOUBTFUL DEBTS AND ADVANCES		19.42	11.91
7. EXCISE DUTIES		724.34	696.49
8. CONTRIBUTIONS TO JOINT PLANT COMMITTEE FUNDS		—	0.01
		5628.52	5363.98
9. ACCRETION TO STOCKS OF FINISHED AND SEMI-FINISHED PRODUCTS AND WORK-IN-PROGRESS DEDUCTED :			
(a) Opening Stock	515.77		473.65
(b) Less — Closing Stock	520.57		515.77
		(4.80)	(42.12)
		5623.72	5321.86

THE TATA IRON AND STEEL COMPANY LIMITED

Notes to Schedule 4 (Page 43)

		Rupees crores	Previous Year Rupees crores
Item 2 (b) (ii)	Cost of raw materials produced excludes amounts charged to wages and salaries and other revenue accounts	388.11	394.00
Item 4 (a)	Stores consumed (including write-off of obsolete spares) exclude cost of stores manufactured departmentally and charged to wages and salaries and other revenue accounts	80.74	83.04
Item 4 (c)	Repairs to buildings exclude amounts charged to wages and salaries and other revenue accounts	1.58	1.75
Item 4 (d)	Repairs to machinery exclude amounts charged to wages and salaries and other revenue accounts	170.66	149.20
Item 4 (e)	Refining expenses exclude amounts charged to wages and salaries and other revenue accounts	10.02	11.94
Item 4 (f)	Commission, discounts and rebates include —		
	(1) Commission paid to selling agents	19.28	23.88
	(2) Consignment agency handling charges	41.56	25.30
	(3) Discounts	17.30	42.50
Item 4 (m)	Provision for wealth tax is net of write back of Rs. 0.05 crore relating to earlier years	—	5.66
Item 4 (n)	Short Debts in previous years (net) includes discounts and rebates on sales of previous years ..	—	5.66
Item 4 (o)	Other expenses include —		
	(1) Provision for proportionate premium on redemption of Non-Convertible Debentures	—	1.58
	(2) Expenses of issue of Rights Shares, SPNs, Foreign Currency Convertible Bonds and Secured Redeemable Non-Convertible Bonds	—	5.65
	(3) Provision for diminution in value of investments	1.05	—
	(4) Contribution to the Electoral Trust. The objects of the Trust inter alia includes holding by the Trustees of "distribution funds" for distribution to political parties	1.25	—
	(5) Fees and out-of-pocket expenses paid to Auditors :	Rupees	Rupees
	(i) For services as Auditors	35,00,000	27,50,000
	(ii) For Company Law matters	20,000	12,000
	(iii) For other services	10,15,700	10,69,400
	(iv) Reimbursement of travelling and out-of-pocket expenses	14,65,961	15,45,995
	(6) Cost Audit Fees (including expenses Rs. 65,879 – 1996-97 : Rs. Nil)	90,879	50,000
The amount shown in (iii) above excludes Rs. Nil (1996-97 : Rs. 15,00,000) paid to auditors for services in respect of issue of Secured Redeemable Non-Convertible Bonds and charged to "Miscellaneous Expenditure" — Item 12 of the Balance Sheet (Page 40).			
Managerial Remuneration			
Managerial Remuneration for Managing Director, Executive Directors and non Whole-time Directors			
(a)	Salaries	Rupees crores 0.16	Rupees crores 0.17
(b)	Commission	0.49	0.81
(c)	Perquisites	0.11	0.15
		0.76	1.13
Note :—			
In addition, the Managing Director and Executive Directors are entitled to free supply of water and use of medical facilities at the Company's hospital at Jamshedpur. The above figures do not include contribution to Gratuity Fund, as separate figures are not available for the Managing Director and Executive Directors and retirement benefits of Rs. 0.02 crore (1996-97 : Rs. 0.02 crore) and medical expenses of Rs. 0.01 crore (1996-97 : Rs. 0.54 crore) relating to a former director.			
COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 309(5) OF THE COMPANIES ACT, 1956.			
Profit before taxes		Rupees crores 363.33	Rupees crores 542.21
Add —	(a) Provision for depreciation	343.23	326.83
	(b) Managerial remuneration	0.76	1.13
	(c) Provision for bad & doubtful debts and advances	19.42	11.91
	(d) Provision for diminution in value of investments	1.05	—
	(e) Net Profit/(loss) on Sale of Fixed Assets under Section 349 (excluding capital profits)	9.88	4.55
	(f) Provision for wealth tax	0.40	0.75
		738.07	887.38
Deduct —	(a) Bad debts written off (net of recoveries)	14.07	3.13
	(b) Depreciation under Section 350 of the Companies Act	531.91	554.97
	(c) Book Profit/(loss) on Sale of Fixed Assets [including capital profits Rs. 2.98 crores; (1996-97 : Rs. 4.64 crores)]	11.29	8.07
	(d) Profit on Sale of Investments	13.22	3.13
		570.49	569.30
Net profit as per Section 309(5)		167.58	318.08
Commission :			
	(a) Whole-time Directors	Rupees 33,50,000	Rupees 56,40,000
	(b) Non Whole-time Directors — 1% of the net profits — Rs. 167.58 lakhs (Previous year: Rs. 318.08 lakhs) restricted to	15,00,000	25,00,000
		48,50,000	81,40,000
Note : The Company has been legally advised that commission payable to the non Whole-time Directors in terms of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, does not require the approval of the Central Government. The Company has, therefore, not applied for such approval.			

Schedule forming part of the balance sheet

SCHEDULE A : SHARE CAPITAL :—
(Item No. 1, page 40)

Authorised : 440,000,000	Ordinary Shares of Rs. 10 each (<i>Previous year :</i> <i>440,000,000 Ordinary Shares of Rs. 10 each</i>)
Issued : 368,372,775	Ordinary Shares of Rs. 10 each (<i>Previous year :</i> <i>368,372,388 Ordinary Shares of Rs. 10 each</i>)
Subscribed : 368,137,405	Ordinary Shares of Rs. 10 each fully paid up (<i>Previous year : 368,136,568 Ordinary Shares of Rs. 10 each</i>) Less — Calls-in-arrears
	<i>Add — Amount paid up on 22,810 (31.3.1997 : 23,260)</i> <i>Ordinary Shares forfeited</i>

Rupees crores	As at 31-3-1997 Rupees crores
440.00	440.00
368.37	368.37
368.14	368.14
0.59	0.77
367.55	367.37
0.01	0.01
367.56	367.38

Of the **368,137,405** Ordinary Shares :

- (a) 9,563,300 shares represent after sub-division 956,330 shares (including 935,000 shares issued pursuant to the Scheme of Arrangement for the conversion of Deferred Shares into Ordinary Shares and the issue of additional fully paid shares) of the face value of Rs. 75 per share which were issued as fully paid up pursuant to contracts for consideration other than cash. The nominal value of these 956,330 shares was increased from Rs. 75 to Rs. 100 each with effect from 1.1.1977.
- (b) 19,812,460 shares represent after sub-division 1,981,246 shares of the face value of Rs. 75 per share which were issued as fully paid bonus shares by utilisation of Rs. 3,81,44,470 from Share Premium Account and Rs. 11,04,48,980 from General Reserve. The nominal value of these 1,981,246 shares was increased from Rs. 75 to Rs. 100 each with effect from 1.1.1977.
- (c) 51,440,270 shares represent after sub-division 5,144,027 Ordinary Shares whose face value was increased during the year 1976-77 from Rs. 75 to Rs. 100 per share by utilisation of Rs. 49,760 from Share Premium Account and Rs. 12,85,50,915 from General Reserve.
- (d) 20,576,110 shares represent after sub-division 2,057,611 shares of the face value of Rs. 100 per share which were issued as fully paid bonus shares by utilisation of Rs. 20,57,61,100 from General Reserve.
- (e) 721,530 shares represent after sub-division 72,153 shares of the face value of Rs. 100 per share which were issued as fully paid up to the Shareholders of the erstwhile Indian Tube Company Limited on its amalgamation with the Company, for consideration other than cash.
- (f) 33,051,470 shares represent after sub-division 3,305,147 shares of the face value of Rs. 100 per share which were issued as fully paid bonus shares by utilisation of Rs. 33,05,14,700 from General Reserve.

THE TATA IRON AND STEEL COMPANY LIMITED

Schedule forming part of the balance sheet

SCHEDULE B : RESERVES AND SURPLUS :—

(Item No. 2, page-40)

	Rupees crores	Rupees crores	Rupees crores	As at 31-3-1997 Rupees crores
(a) SHARE PREMIUM ACCOUNT :—				
Balance as per last account		1863.85		1920.42
Received during the year on				
(i) calls-in-arrears [net of calls in arrears on shares forfeited Rs. Nil (1996-97 : Rs. 0.05 crore)]		1.26		1.01
(ii) shares allotted against warrants issued with SPNs ...		0.01		0.06
		1865.12		1921.49
Less — (i) Provision for premium on redemption of SPNs	40.96			57.64
Less — (ii) Expenditure on issue of Shares, Secured Premium Notes, Foreign Currency Convertible Bonds, Secured Redeemable Non-Convertible Bonds and provision for premium on redemption of Non-Convertible Debentures	32.03	72.99		—
			1792.13*	1863.85*
*[net of calls-in-arrears Rs. 4.10 crores (31.3.1997 : Rs. 5.36 crores)]				
(b) AMALGAMATION RESERVE :—			1.12	1.12
Balance as per last account				
(c) DEBENTURE REDEMPTION RESERVE :—				
Balance as per last account		594.00		444.00
Add — Transferred from Profit and Loss Account		100.00		150.00
			694.00	594.00
(d) CAPITAL RESERVE :—				
Balance as per last account		1.30		0.24
Add — Amounts paid up on Forfeited Debentures and Secured Premium Notes		—		1.06
			1.30	1.30
(e) GENERAL RESERVE :—				
Balance as per last account		939.21		789.21
Less — Posted dividend warrants of previous years encashed during the year : Rs. 248 (1996-97 : Nil)		—		—
		939.21		789.21
Add — Amount transferred from Profit and Loss Account		90.00		150.00
			1029.21	939.21
(f) INVESTMENT ALLOWANCE (UTILISED) RESERVE :—				
Balance as per last account		104.59		131.63
Less — Transferred to Profit and Loss Account		29.00		27.04
			75.59	104.59
(g) EXPORT PROFITS RESERVE :—			1.25	1.25
Balance as per last account				
(h) FOREIGN EXCHANGE FLUCTUATIONS RESERVE :—			14.00	14.00
Balance as per last account				
(i) CONTRIBUTIONS FOR CAPITAL EXPENDITURE :—				
Balance as per last account		4.90		4.90
Add — Amount received during the year		2.30		—
			7.20	4.90
(j) PROFIT AND LOSS ACCOUNT :—				
Balance carried forward			81.52	82.42
			3697.32	3606.64

Schedule forming part of the balance sheet

SCHEDULE C : SECURED LOANS :—
(Item No. 4(a), page 40)

	Rupees crores	Rupees crores	As at 31-3-1997 Rupees crores
(a) Industrial Development Bank of India		244.78	134.42
(b) Industrial Credit and Investment Corporation of India Ltd.		39.58	55.02
(c) Joint Plant Committee-Steel Development Fund [including funded interest Rs. 191.45 crores (31.3.1997 : Rs. 182.13 crores)]		1137.65	1087.03
(d) International Finance Corporation, Washington		18.83	31.35
(e) 16% Secured Non-Convertible Debentures		✓ 15.58	15.61
(f) 12% Partly Convertible Debentures		—	206.94
(g) Bank of Tokyo-Mitsubishi (Deutschland) AG and other Banks		80.30	112.31
(h) 17.5% Non-Convertible Debentures (privately placed with Unit Trust of India, Life Insurance Corporation of India, Army Group Insurance Fund, General Insurance Corporation of India and its subsidiaries)		2050 262.00	262.00
(i) Punjab National Bank		8.48	13.10
(j) Secured Premium Notes (See Note 11, Page 60) [including Rs. 49,500 held by Directors (31.3.1997 : Rs. 85,775)]		170.87	256.29
(k) 15% Non-Convertible Debentures (privately placed with Unit Trust of India, Life Insurance Corporation of India, Army Group Insurance Fund, General Insurance Corporation of India and its subsidiaries and LIC Mutual Fund)		133 26.67	40.00
(l) Syndicated loan from various banks (arranged by Citibank International p.l.c.)		58.60	27.99
(m) 18% Non-Convertible Debentures (privately placed with Unit Trust of India, Life Insurance Corporation of India, Army Group Insurance Fund, General Insurance Corporation of India and its subsidiaries)		250.00	250.00
(n) Secured Redeemable Non-Convertible Bonds			
(i) Regular Income Bonds [including Rs. 2,10,000 held by Directors (31.3.1997: Rs. 2,10,000)]		321.60	321.60
(ii) Twin Benefit Bonds		13.90	13.90
(iii) Discount Bonds (Face Value) [including Rs. 5,100 (issue price) held by a Director (31.3.1997: Rs. 5,100)]			
Less : Discount charges (to the extent remaining to be written off in future years)	806.25		806.25
	599.91		630.11
		206.34	176.14
(o) Syndicated loan from various banks (arranged by ANZ Investment Bank, BA Asia Ltd. and State Bank of India)		198.65	—
(p) 12.25% Non Convertible Debentures (privately placed with State Bank of India, Central Bank of India and Army Group Insurance Fund)		100.00	—
(q) Syndicated loan from various banks (arranged by Bank America Singapore Ltd., Citibank N.A. and State Bank of India)		19.87	—
<p>The 17.5% Non-Convertible Debentures, the Secured Premium Notes, the 15% Non-Convertible Debentures, the 18% Non-Convertible Debentures, the Secured Redeemable Non-Convertible Bonds, the 12.25% Non-Convertible Debentures and the loans from the above institutions/banks are secured by mortgages on all present and future fixed assets, excluding land and buildings mortgaged in favour of Government of India under item (w) hereof, land and buildings, plant and machinery and movables of the Tubes Division and the Bearings Division mortgaged in favour of the financial institutions, banks and West Bengal Industrial Development Corporation Limited and assets of the Ferro Alloys Plant at Bamnibal mortgaged in favour of State Bank of India under item (x) hereof and a floating charge on the other properties and assets (excluding investments) of the Company, subject to the prior floating charge in favour of State Bank of India and other banks under items (t) and (u) hereof. The floating charge does not cover book debts.</p> <p>Loan from the Joint Plant Committee-Steel Development Fund included in item (c) above, loan from Punjab National Bank included in item (i) above and syndicated loan from various banks included in item (q) above are not secured by charge on movable assets of the Company.</p>			
Carried forward . .		3173.70	3003.70

THE TATA IRON AND STEEL COMPANY LIMITED

Schedule forming part of the balance sheet

SCHEDULE C : SECURED LOANS :— continued

(Item No. 4(a), page 40)

The 16% Secured Non-Convertible Debentures (representing 15% Non-Convertible Debentures, the redemption period of which was extended) and interest thereon continue to be secured by an unattested Memorandum of Hypothecation dated 11th December, 1984 charging the tangible movable property and assets of the Company (save and except the current assets, investments and book debts) and including the movable machinery and plant, machinery spares and stores, tools and accessories both present and future subject to the prior floating charge in favour of State Bank of India and other banks under items (t) and (u) hereof and by an equitable mortgage by deposit of Title Deeds with effect from 31st March, 1985 in respect of the Company's land at Jamshedpur together with the buildings, structures, godowns, factories and fixed plant and machinery.

The charges created to secure the 17.5% Non-Convertible Debentures, the Secured Premium Notes, the 15% Non-Convertible Debentures, the 18% Non-Convertible Debentures, the Secured Redeemable Non-Convertible Bonds, the 12.25% Non-Convertible Debentures, loans from the above institutions/banks and 16% Secured Non-Convertible Debentures are ranking *pari passu inter se*.

The 16% Secured Non-Convertible Debentures are due for redemption in full together with a premium of Rs. 5 per debenture being 5% of the par value of the debentures on 17th September, 1998. The 16% Secured Non-Convertible Debentures of Rs. 15.58 crores include Rs. 25,000 held by Directors (31.3.1997 : Rs. 29,000).

The 17.5% Non-Convertible Debentures (allotted in 1991-92 and 1992-93) are redeemable at the end of seven years from the date of allotment, out of which Debentures aggregating Rs. 205.00 crores are redeemable at a premium of 5% of the par value.

The 15% Non-Convertible Debentures (allotted in 1994-95) are redeemable at par in 3 equal instalments at the end of 3rd, 4th and 5th year from the date of allotment.

The 18% Non-Convertible Debentures (allotted in 1996-97) are redeemable at par in 3 equal instalments at the end of 4th, 5th and 6th year from the date of allotment.

As per the terms of the Secured Redeemable Non-Convertible Bonds, 1st November, 1996 is the Deemed Date of Allotment in respect of all the three categories of Bonds mentioned below :

- (i) Regular Income Bonds are redeemable in four equal annual instalments of Rs. 1,250 each at the end of the 7th, 8th, 9th and 10th year from the date of allotment and carry an early redemption option at the end of the 5th year from the date of allotment available both to the Company and the Bondholder. Additional facility of early redemption option is available to the original allottees on 31.3.1999 and 31.3.2000 upto an aggregate value of redemption of Rs. 10 crores on each of the dates.
- (ii) Part A i.e. the Cumulative portion of Twin Benefit Bonds (Face Value Rs. 3,100) is redeemable at the end of 10 years from the date of allotment at Rs. 15,000 (inclusive of accumulated interest of Rs. 11,900). Part B i.e. the Non-Cumulative portion of Twin Benefit Bonds (Face Value Rs. 3,000) is redeemable in 3 instalments of Rs. 750, Rs. 750 and Rs. 1,500 at the end of the 8th, 9th and 10th year respectively from the date of allotment. Both Part A and Part B of Twin Benefit Bonds carry an early redemption option at the end of the 5th year from the date of allotment available both to the Company and the Bondholder, the redemption value being Rs. 6,819 in the case of Part A.

Brought over . .

Rupees
crores

3173.70

As at
31-3-1997
Rupees
crores

3003.70

Carried forward . .

3173.70

3003.70

Schedule forming part of the balance sheet

SCHEDULE C : SECURED LOANS :— continued
(Item No. 4(a), page 40)

	Rupees crores	Rupees crores	As at 31-3-1997 Rupees crores
Brought over . .		3173.70	3003.70
(iii) Discount Bonds comprise of a set of three Bonds (Issue Price Rs. 1,700 each) i.e. Bond 1, Bond 2 and Bond 3 which are redeemable at the end of the 9th, 10th and 11th year from the date of allotment at a redemption value of Rs. 7,500, Rs. 7,500 and Rs. 10,000 respectively. Each set of Bonds carries an early redemption option at the end of the 5th year from the date of allotment available both to the Company and the Bondholder at a value of Rs. 11,250/- for the set. The 12.25% Non-Convertible Debentures (allotted on 15.11.1997) are redeemable at par in 3 annual instalments in the ratio of 35:35:30 at the end of 4th, 5th and 6th year from the date of allotment.			
(r) Industrial Development Bank of India (repayable in equivalent rupee value of foreign currencies) Secured by pledge of certain investments		0.29	0.53
(s) Industrial Credit and Investment Corporation of India Ltd. Secured by charge on the equipment purchased under the Asset Credit Scheme		0.42	7.86
(t) Working Capital Demand Loans from Banks [including repayable in foreign currencies Rs. Nil (31.3.1997 : Rs. 89.44 crores)]		188.00	307.59
(u) Cash Credits from Banks [Net of Rs. Nil (31.3.1997 : Rs. 176.52 crores) being unutilised proceeds of issue of Secured Non-Convertible Bonds temporarily used as working capital by deposit in cash credit accounts] :			
(i) State Bank of India (net of cash-in-transit Rs. 33.55 crores — 31.3.1997: Rs. 59.81 crores)	202.90		61.63
(ii) Loans from Banks	83.85		25.24
		286.75	86.87
Borrowings from State Bank of India under items (t) and u(i) and Loans taken from banks under items (t) and u(ii) above are secured by hypothecation of stocks, stores and book debts, ranking in priority to the floating charge under items (a) to (q) hereof. However, borrowings from Central Bank of India included in item u(ii) above, are secured by hypothecation of current assets of the Tubes Division comprising of finished and semi-finished goods, raw materials, consumable stores and machinery spares, tools and accessories (upto a limit of Rs. 4.50 crores) and book debts of the Division only. Documentation of securities in respect of borrowings from The Hongkong & Shanghai Banking Corporation Ltd. included in item (t) and u(ii) above and American Express Bank Ltd. included in item u(ii) above is under finalisation.			
(v) Barclays Bank p.l.c. (secured by a lien on the balances in the Escrow Account)		10.08	15.27
(w) Government of India :			
(i) for constructing a hostel for trainees at Jamshedpur		0.01	0.01
(ii) for setting up a dispensary and a clinic at Collieries		0.01	0.01
Secured respectively by a first mortgage on the lands together with the buildings for hostel and dispensary and clinic constructed thereon.			
(x) State Bank of India :			
Secured by mortgage created by deposit of title deeds on all the immovable properties of the Company's Ferro Alloys Plant at Barnipal and a first charge by way of hypothecation on all movable assets other than current assets of the said Ferro Alloys Plant		0.49	2.45
(y) Housing Development Finance Corporation Ltd. Secured by pledge of certain investments		8.38	14.79
		3668.13	3439.08

THE TATA IRON AND STEEL COMPANY LIMITED

Schedules forming part of the balance sheet

SCHEDULE D : UNSECURED LOANS :—

(Item No. 4(b), page 40)

	Rupees crores	As at 31-3-1997 Rupees crores
(a) Fixed Deposits (including interest accrued and due Rs. 0.16 crore — As at 31.3.1997 : Rs. 0.16 crore)	153.85	113.50
(b) Term loan from West Bengal Industrial Development Corporation Ltd.	0.81	0.81
(c) Housing Development Finance Corporation Ltd.	34.38	36.53
(d) SBI Home Finance Ltd.	2.26	2.84
(e) Bank Austria AG	—	2.53
(f) State Bank of India-London	—	15.17
(g) Government of Orissa	28.45	32.01
(h) Barclays Bank p.l.c. and State Bank of India	0.18	0.37
(i) 2.25% Foreign Currency Convertible Bonds (See Note 12, page 60)	391.08	354.22
(j) Barclays Bank p.l.c.	2.25	4.69
(k) Deutsche Bank AG, Frankfurt	48.34	9.81
(l) SBI European Bank p.l.c., London	12.91	6.09
(m) The Hongkong & Shanghai Banking Corporation Ltd., Bahrain	71.52	65.00
(n) Commercial Papers (net of discount charges remaining to be written off Rs. 0.02 crore — 31.3.1997 : Rs. Nil)	64.98	—
(o) 14% Non-Convertible Debentures (privately placed with Life Insurance Corporation of India) These Debentures (allotted on 31.3.1998) are redeemable at par at the end of 3rd year from the date of allotment.	100.00	—
	911.01	643.57

Note : Amounts repayable within one year **Rs. 121.68 crores** (As at 31.3.1997: Rs. 62.67 crores)

SCHEDULE E : FIXED ASSETS :—

(Item No. 7, page 40)

Fixed Assets	Gross Block(1) as at 31.3.1997 Rupees crores	Additions Rupees crores	Deductions(2) Rupees crores	Gross Block(1) as at 31.3.1998 Rupees crores	Depreci- ation for 1997-98 Rupees crores	Total Depreciation to 31.3.1998 Rupees crores	Net Block as at 31.3.1998 Rupees crores
1. Land and Roads	43.06	1.53	—	44.59	0.32	1.19	43.40
	34.17	9.34	0.45	43.06	0.30	0.88	42.18
2. Buildings (3) & (5)	529.71	79.68	0.71	608.68	13.48	88.61	520.07
	488.41	41.53	0.23	529.71	10.78	75.73	453.98
3. Leaseholds	1.51	—	—	1.51	—	—	1.51
	1.51	—	—	1.51	—	—	1.51
4. Railway Sidings	103.42	14.86	—	118.28	5.52	23.82	94.46
	98.49	4.93	—	103.42	4.72	18.31	85.11
5. Plant and Machinery (4)	6261.49	315.36	18.56	6558.29	314.69	2476.42	4081.87
	5930.25	352.08	20.84	6261.49	301.67	2178.79	4082.70
6. Furniture, Fixtures and Office Equipment	54.24	1.86	0.06	56.04	2.99	24.39	31.65
	49.04	5.41	0.21	54.24	2.96	21.44	32.80
7. Development of Property	27.91	—	—	27.91	2.89	10.34	17.57
	27.91	—	—	27.91	3.04	7.44	20.47
8. Livestock and Vehicles	45.56	13.03	2.04	56.55	3.34	23.71	32.84
	37.88	8.28	0.60	45.56	3.36	21.83	23.73
	7066.90	426.32	21.37	7471.85	343.23	2648.48	4823.37
	6667.66	421.57	22.33	7066.90	326.83	2324.42	4742.48
9. Buildings, Plant and Machinery, etc. under erection (including advances for capital expenditure Rs. 214.16 crores — As at 31.3.1997 : Rs. 237.28 crores)	1476.67	—	—	1476.67	—	—	1476.67
	783.92	—	—	783.92	—	—	783.92
	8948.52	—	—	8948.52	—	2648.48	6300.04
	7850.82	—	—	7850.82	—	2324.42	5526.40

(1) Gross Block is at cost except for item 8 which is shown at written down value to 31st March, 1956 plus subsequent additions at cost.

(2) Deductions include cost of assets scrapped/sold/surrendered during the year.

(3) Buildings include Rs. 750 being cost of shares in Co-operative Housing Societies.

(4) Plant and Machinery includes wagons given on lease to Railways under Own Your Wagon Scheme Rs. 28.27 crores (1996-97: Rs. 28.27 crores).

(5) Buildings include gross block Rs. 5.41 crores and net block Rs. 4.60 crores in respect of expenditure incurred on capital assets whose ownership does not vest in the Company.

Schedule forming part of the balance sheet

SCHEDULE F : INVESTMENTS :—
(Item No. 8, page 40)

		As at 31-3-1997	
	No. of shares/ debentures/ bonds fully paid-up	Rupees crores	Rupees crores
A. LONG TERM INVESTMENTS			
At Cost less provision for diminution in value			
Trade Investments :			
SHARES AND DEBENTURES (Quoted) —			
1. Tata Engineering and Locomotive Co. Ltd.	2,50,13,048	76.01	76.01
2. Tata Yodogawa Ltd.	19,99,350	3.36	3.36
3. Tinplate Company of India Ltd.	88,75,000	29.68	29.68
4. GKW Ltd. (formerly Guest Keen Williams Ltd.)	10,29,996	0.23	0.23
5. TRF Ltd.	11,91,648	1.85	1.85
6. Kumardhubi Fireclay and Silica Works Ltd. (Book Value : Re. 1)	1,50,001	—	—
7. Housing Development Finance Corporation Ltd. (25,500 Shares sold during the year)	30,250	0.79	1.46
8. Tata Construction and Projects Ltd.	5,61,335	0.60	0.60
9. Indian Steel Rolling Mills Ltd. (Book Value : Re. 1)	3,30,315	—	—
10. Wellman Incandescent India Ltd.	8,99,100	0.90	0.90
11. Nicco Corporation Ltd. (including 90,000 Rights Shares subscribed during the year).	3,15,000	0.18	0.09
12. Sanderson Industries Ltd.	2,27,642	0.23	0.23
13. Industrial Credit and Investment Corporation of India Ltd. ..	2,32,513	0.50	0.50
14. Industrial Credit and Investment Corporation of India Ltd. — 12.5% Unsecured Fully Convertible Debentures	833	0.04	0.04
15. Tata Donnelley Ltd. (including 1,18,125 Bonus Shares received during the year).	3,54,375	1.03	1.03
16. Tata Honeywell Ltd.	8,75,000	2.42	2.42
17. Tata Construction and Projects Ltd. — 10% Convertible Debentures (Non-convertible portion)	43,000	0.43	0.43
18. Hitech Drilling Services India Ltd. (2,00,000 Shares sold during the year)	26,66,500	5.98	6.42
19. Hindustan Oil Exploration Ltd.	3,00,000	0.45	0.45
20. SBI Home Finance Ltd.	2,50,000	0.25	0.25
21. Tata Timken Ltd.	2,54,99,989	25.50	25.50
22. Tata Metaliks Ltd.	1,17,99,992	11.80	11.80
23. Tata SSL Ltd.	95,09,376	96.09	96.09
24. Tata Sponge Iron Ltd.	61,19,960	7.20	7.20
25. Standard Chrome Ltd.	5,58,000	0.56	0.56
26. The Tata Power Company Ltd.	56,81,818	100.00	—
27. Others (See Note 3, page 54)		0.02	0.02
		366.10	267.12
		366.10	267.12
Carried forward . .			

THE TATA IRON AND STEEL COMPANY LIMITED

Schedule forming part of the balance sheet

SCHEDULE F : INVESTMENTS :— continued
(Item No. 8, page 40)

	No. of shares/ debentures/ bonds fully paid-up	Rupees crores	Rupees crores	As at 31-3-1997 Rupees crores	Rupees crores
Brought over . .			366.10		267.12
Trade Investments :					
SHARES AND DEBENTURES (Unquoted) —					
28. Kumardhubi Metal Casting and Engineering Ltd. (Book Value : Re. 1)	10,70,000	—	—	—	—
29. Tata Industries Ltd.	4,00,869	4.04	4.04	4.04	4.04
30. Tata Services Ltd.	1,921	0.19	0.19	0.19	0.19
31. Tata International Ltd. (formerly Tata Exports Ltd.)	3,740	0.49	0.49	0.49	0.49
32. Tata Projects Ltd.	15,000	0.18	0.18	0.18	0.18
33. Tata Share Registry Ltd.	24,000	0.40	0.40	0.40	0.40
34. Tata Material Handling Systems Ltd.	2,90,000	0.32	0.32	0.32	0.32
35. Risk Capital & Technology Finance Corporation Ltd.	1,00,000	0.10	0.10	0.10	0.10
36. Tata Sons Ltd. (14% Cumulative Redeemable Preference Shares)	48,300	4.83	4.83	4.83	4.83
37. Tata Timken Ltd. (9% Cumulative Redeemable Preference Shares)	13,00,000	13.00	13.00	13.00	13.00
38. Kalinga Aquatics Ltd. (Book Value : Re.1)	10,49,920	—	—	1.05	1.05
39. The Tata Power Company Ltd.	—	—	—	100.00	100.00
40. Jamshedpur Injection Powder Ltd. (including 28,47,400 Shares subscribed during the year)	29,47,400	2.95	2.95	0.10	0.10
41. Tata Communications Ltd. (including 1,87,99,800 Shares subscribed during the year)	2,31,99,800	23.20	23.20	4.40	4.40
42. Tata Ryerson Ltd. (acquired during the year)	1,50,00,000	15.00	15.00	—	—
43. Utkal Alumina International Ltd. (acquired during the year)	34,44,975	3.44	3.44	—	—
44. Adityapur Toll Bridge Company Ltd. (subscribed during the year)	50,000	0.05	0.05	—	—
45. Others Rs. 39,505 (As at 31.3.1997: Rs. 39,505) (See Note 4, page 54)	—	—	—	—	—
			68.19		129.10
Investments in subsidiary Companies :					
SHARES (Quoted) —					
46. Stewarts and Lloyds of India Ltd.	2,99,925	—	0.37	—	0.37
SHARES (Unquoted) —					
47. Kalimati Investment Co. Ltd. (including 47,49,991 Shares subscribed during the year)	1,42,49,973	33.25	33.25	9.50	9.50
48. Kalimati Investment Co. Ltd. (12% Cumulative Redeemable Preference Shares subscribed during the year) ..	1,99,49,962	19.95	19.95	—	—
49. Tata Refractories Ltd.	56,09,670	11.99	11.99	11.99	11.99
50. Tata Pigments Ltd.	75,000	0.70	0.70	0.70	0.70
51. Tata Korf Engineering Services Ltd. (including 1,20,193 Bonus Shares received during the year)	2,40,386	0.12	0.12	0.12	0.12
52. Tata Incorporated	1,500	1.64	1.64	1.64	1.64
53. Tata Technodyne Ltd. (subscribed during the year) ...	24,99,993	2.50	2.50	—	—
			70.15		23.95
Other Investments :					
54. Shares in Bihar State Financial Corporation (Unquoted)	1,000	0.01	0.01	0.01	0.01
55. 9% Indian Railway Finance Corporation Ltd. Bonds (Quoted) [27,500 Bonds redeemed during the year]	24,400	2.39	2.39	5.09	5.09
56. Prabhadevi Properties and Trading Co. Ltd. (Unquoted)	158	2.32	2.32	2.32	2.32
			4.72		7.42
Carried forward . .			509.53		427.96

Schedule forming part of the balance sheet

SCHEDULE F : INVESTMENTS :— continued
(Item No. 8, page 40)

	No. of shares/ debentures/ bonds fully paid-up	Rupees crores	Rupees crores	As at 31-3-1997	
				Rupees crores	Rupees crores
Brought over . .			509.53		427.96
B. CURRENT INVESTMENTS					
Other Investments :					
(i) INVESTMENTS OUT OF UNUTILISED MONIES RAISED BY ISSUE OF SECURED REDEEMABLE NON-CONVERTIBLE BONDS (At Cost)					
(Quoted)					
57. 13.55% Government of India 2001	—	—		1.41	
58. 11.75% Government of India 2001 (32,000 units sold during the year)	8,000	0.08		0.39	
59. 11.55% Government of India 2002	—	—		1.90	
60. 15.50% ICICI Long Terms Bonds 2000	—	—		7.59	
61. 16.00% IFCI Family Bonds 2003 (3,600 Bonds sold during the year)	200	0.10		1.88	
(Unquoted)					
62. 15% MTNL (Taxable) Bonds XIII Series	—	—		1.50	
			0.18		14.67
(ii) OTHER INVESTMENTS (At Cost)					
(Quoted)					
63. Units in Unit Trust of India	87,37,124	11.53		11.53	
64. IDBI Deep Discount Bonds (Series I)	—	—		12.48	
65. 17.00% MTNL Bonds 2001 (Sixth Series)	—	—		18.46	
(Unquoted)					
66. UTI - Venture Capital Units (620 Units redeemed during the year)	3,880	0.04		0.05	
67. 16% IDBI Regular Return OMNI Bonds - Series V	—	—		50.00	
68. GE Capital Services India - Non-Convertible Debentures - Series V	30,000	29.75		29.75	
69. 15% IDBI Bonds	7,00,000	70.00		70.00	
70. 15% ICICI Bonds [2,76,000 (net) Bonds sold during the year]	24,000	2.42		30.00	
			113.74		222.27
			<u>623.45</u>		<u>664.90</u>

THE TATA IRON AND STEEL COMPANY LIMITED

Schedule forming part of the balance sheet

SCHEDULE F : INVESTMENTS :— continued
(Item No. 8, page 40)

Notes:

- (1) Aggregate amount of Quoted Investments
Market value as at 31.3.1998: **Rs. 1048.19** crores
(As at 31.3.1997: Rs. 1137.79 crores)

- (2) Aggregate amount of Unquoted Investments

- (3) Shares and Debentures (Quoted) — Others include :—

(a) Reliance Firebrick and Pottery Co. Ltd. (partly paid up)	16,800
(b) Reliance Firebrick and Pottery Co. Ltd.	2,400
(c) Sijua (Jheriah) Electric Supply Co. Ltd.	4,144

- (4) Shares and Debentures (Unquoted) — Others include :—

(a) Bokaro and Ramgarh Ltd.	100
(b) Indian Chamber of Commerce — 8% Mortgage Debentures	50
(c) Jamshedpur Educational and Cultural Co-operative Society Ltd. .	50
(d) Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd.	200
(e) Joda East Iron Mine Employees' Consumer Co-operative Society Ltd.	100
(f) Ferro-Manganese Plant Employees' Consumer Co-operative Society Ltd.	100
(g) Jamshedpur Co-operative House Building Society Ltd.	10
(h) Jamshedpur Co-operative Stores Ltd.	50
(i) Malusha Travels Pvt. Ltd.	2
(j) Jamshedpur Power Co. Ltd.	1
(k) Tata Teleservices Ltd.	200

Rupees
crores

380.57

242.88

623.45

No. of shares/
debentures
fully paid-up

Rupees

84,000

48,158

40,260

1,72,418

16,225

5,000

5,000

5,000

2,500

2,500

1,000

250

20

10

2,000

39,505

As at
31-3-1997
Rupees
crores

328.22

336.68

664.90

As at
31-3-1997
Rupees

84,000

48,158

40,260

1,72,418

16,225

5,000

5,000

5,000

2,500

2,500

1,000

250

20

10

2,000

39,505

- (5) During the year the Company acquired and sold the following investments :

17% ILFS Debentures H 96 Series	1.00
Call - I - NIT '97 - IDBI Mutual Fund	2.00
17.50% RSEB Bonds 2003	1.50
17% Power Finance Corporation Bonds 1999	5.00
17.25% Govt. of India, Zero Coupon Bonds 2000 A	10.00
17.25% NPC Bonds 2001	5.00

Face Value
Rs. croresPurchase Cost
Rs. crores

1.02

2.00

1.70

5.60

11.03

5.14

- (6) Investment in Prabhadevi Properties and Trading Company Limited (Item 56, Page 52) represents cost of qualifying shares which entitle the Company to use and occupy four flats in the building owned by that company.

Schedules forming part of the balance sheet

SCHEDULE G : STOCK-IN-TRADE :—
(Item No. 9A(b), page 40)

	Rupees crores	As at 31-3-1997 Rupees crores
(As per inventories valued and certified by the Managing Director) —		
(a) Finished and semi-finished products produced and purchased by the Company, at lower of cost or market value (including purchased goods-in-transit at cost)	500.35	487.41
(b) Work-in-progress (at lower of cost or net realisable value)	20.22	28.36
	520.57	515.77
(c) Excise duty on Finished & Semi-finished Stock not assessed to duty	18.62	19.29
(d) Coal, iron ore and other raw materials produced and purchased by the Company, at lower of cost or market value (including purchased raw materials-in-transit at cost)	253.49	231.24
	792.68	766.30

SCHEDULE H : SUNDRY DEBTORS :—
(Item No. 9A(c), page 40)

	Rupees crores	As at 31-3-1997 Rupees crores
(a) Over six months old	293.71	219.61
(b) Others	1011.00	1160.33
	1304.71	1379.94
Less — Provision for doubtful debts	48.63	44.17
	1256.08	1335.77

	As at 31-3-1998 Rupees crores	As at 31-3-1997 Rupees crores
Sundry debts, secured and considered good	—	—
Sundry debts, unsecured and considered good	1256.08	1335.77
Sundry debts, considered doubtful	48.63	44.17
	1304.71	1379.94

Schedules forming part of the balance sheet

SCHEDULE I : CASH AND BANK BALANCES :—

(Item No. 9A(e), page 40)

	Rupees crores	As at 31-3-1997 Rupees crores
(a) Cash in hand (including cheques : Rs. 79.32 crores; <i>As at 31.3.1997: Rs. 93.94 crores</i>)	81.15	96.77
(b) Remittance in transit	37.68	38.27
(c) Current accounts with Scheduled Banks	111.21	31.42
(d) Current account with Bank of Bhutan	0.36*	0.35*
(e) Escrow account with Barclays Bank plc., London	7.51*	7.46*
(f) Current account with CitiBank Singapore	0.23*	0.69*
(g) Deposit accounts with Scheduled Banks	191.27	76.42**
	429.41	251.38

	1997-98 Rs. crores	1996-97 Rs. crores
* Maximum balances in current account with		
1. Bank of Bhutan	0.53	0.50
2. Barclays Bank plc., London	10.20	7.54
3. CitiBank Singapore	0.76	2.05

** Includes unutilised monies of **Rs. Nil** (31.3.1997: *Rs. 55.00 crores*) out of issue of Secured Redeemable Non-Convertible Bonds.**SCHEDULE J : LOANS AND ADVANCES :—**

(Item No. 9(B), page 40)

	Rupees crores	As at 31-3-1997 Rupees crores
(a) Advances with public bodies	152.33	70.36
(b) Other advances	355.95	613.43
(c) Advances to subsidiary companies (including inter-corporate deposits Rs. 35.05 crores (<i>As at 31.3.1997 : Rs. 59.45 crores</i>))	35.26	59.64
(d) Advance payment against taxes	134.48	88.45
(e) Bills of exchange	10.70	—
	688.72	831.88
Less — Provision for doubtful advances	16.36	15.47
	672.36	816.41

	As at 31-3-1998 Rupees crores	As at 31-3-1997 Rupees crores
Loans and Advances, secured and considered good	15.24	18.36
Loans and Advances, unsecured and considered good	657.12	798.05
Loans and Advances, considered doubtful	16.36	15.47
	688.72	831.88

- Notes :
- Advances with public bodies include balances with Customs, Port Trust, etc. **Rs. 99.64** crores (*As at 31.3.1997 : Rs. 31.51 crores*).
 - Other advances include :
 - Loan to an Officer of the Company : **Rs. 30,358** (*As at 31.3.1997 : Rs. 34,354*) Maximum balance during the year **Rs. 34,354** (1996-97 : *Rs. 35,020*).
 - Loans to Directors **Rs. 2,72,500** (*As at 31.3.1997 : Rs. 2,87,500*) Maximum balance during the year **Rs. 2,87,500** (1996-97 : *Rs. 3,10,700*).
 - Inter-corporate deposits of **Rs. 118.60** crores (*As at 31.3.1997 : Rs. 354.10 crores*).
 - Unamortised premium on Foreign exchange forward covers **Rs. 0.18** crore (*As at 31.3.1997 : Rs. 0.25 crore*).
 - Application monies on investments **Rs. 2.63** crores (*As at 31.3.1997 : Rs. 15.54 crores*).

Schedules forming part of the balance sheet

SCHEDULE K : CURRENT LIABILITIES :—

(Item No. 10(A), page 40)

	Rupees crores	Rupees crores	As at 31-3-1997 Rupees crores
(a) Acceptances		26.75	98.01
(b) Sundry creditors :			
(i) For goods supplied	313.79		254.89
(ii) For accrued wages and salaries	360.76		285.85
(iii) For other liabilities	595.31		612.25
		1269.86	1152.99
(c) Subsidiary companies		3.84	0.36
(d) Interest accrued but not due		22.12	21.85
(e) Advances received from customers		87.00	106.91
(f) Dividend warrants posted but not encashed		4.93	5.19
		1414.50	1385.31

Note : Sundry Creditors for other liabilities include provision for premium on redemption on Non-Convertible Debentures : **Rs.10.02** crores (As at 31.3.1997 : *Rs. 8.44 crores*) and Secured Premium Notes : **Rs. 88.96** crores (As at 31.3.1997 : *Rs. 82.17 crores*).

SCHEDULE L : PROVISIONS :—

(Item No. 10(B), page 40)

	Rupees crores	As at 31-3-1997 Rupees crores
(a) Provision for retiring gratuities	3.54	3.35
(b) Provision for taxation	150.58	111.40
(c) Proposed dividends	147.25	165.66
	301.37	280.41

SCHEDULE M : MISCELLANEOUS EXPENDITURE:—

(to the extent not written off or adjusted)

(Item No.12, page 40)

	Rupees crores	As at 31-3-1997 Rupees crores
(a) Expenses on issue of Rights Shares and Secured Premium Notes.	—	6.67
(b) Expenses on issue of 2.25% Foreign Currency Convertible Bonds	—	4.27
(c) Employee Separation Compensation (See Note 7(b), Page 59)	297.07	247.96
(d) Expenses on issue of Secured Redeemable Non-Convertible Bonds ..	—	19.42
	297.07	278.32

[Refer Schedule N, Note 1(k), Page 58]

Signatures to Schedules 1 to 4 and
A to M and Notes on pages 58 to 64

For and on behalf of the Board,

RATAN N. TATA
Chairman

JAMSHED J. IRANI
Managing Director

MRS. S. S. KUDTARKAR
Company Secretary

Mumbai, 28th May, 1998

THE TATA IRON AND STEEL COMPANY LIMITED

SCHEDULE N : Notes on Balance Sheet and Profit and Loss Account

1. Accounting Policies :

- (a) Sale of Products and Services :
- (i) Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.
 - (ii) Export incentive under the Duty Entitlement Pass Book Scheme has been recognised on the basis of credits afforded in the pass book.
- (b) Gratuity :
Provision for gratuity liability to employees is made on the basis of actuarial valuation.
- (c) Leave Salaries :
Provision is made for value of unutilised leave due to employees at the end of the year.
- (d) Relining Expenses :
Relining expenses are charged as an expense in the year in which they are incurred.
- (e) Research and Development :
Research and development costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred.
- (f) Depreciation :
- (i) Capital assets whose ownership does not vest in the Company have been depreciated over the estimated period of their utility or five years whichever is less.
 - (ii) In respect of other assets, depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 as under :—
 - (i) In respect of plant and machinery, railway siding, buildings and vehicles acquired before 1.4.1993 the specified period has been re-calculated by applying the revised rates in force in terms of the notification dated 16.12.1993 and the unamortised value of the asset has been allocated equally over the remaining part of the specified period and on assets acquired after 31.3.1993 at the revised rates.
For the purposes of determining the appropriate depreciation rates plant and machinery falling in the category of continuous process plants has been identified on the basis of technical opinion obtained by the Company. Extra shift depreciation, wherever applicable is calculated on actual shift basis in respect of each mill/shop/unit.
 - (ii) In respect of furniture, fixtures and office equipment acquired before 1.4.1993 at the rates in force prior to the abovementioned notification and at the revised rates for assets acquired thereafter.
 - (iii) Development of Property and Mining Rights are depreciated over the useful life of the mine or lease period whichever is shorter.
 - (iv) Freehold lands and leasehold lands are not depreciated.
- (g) Foreign Exchange Transactions :
Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.
The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions other than those relating to fixed assets are recognised in the Profit and Loss Account. In respect of transactions covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss Account over the period of the contract.
Exchange differences in respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amount of such fixed assets.
- (h) Fixed Assets :
All fixed assets are valued at cost less depreciation. Pre-operation expenses net of revenue are capitalised. With effect from 1st April, 1991, interest on borrowings during the period of construction is added to the cost of fixed assets.
- (i) Investments :
Long term investments are carried at cost less provision for permanent diminution in value of such investments. Current investments are carried at lower of cost and fair value. When investment is made in partly convertible debentures with a view to retain only the convertible portion of the debentures, the excess of the face value of the non-convertible portion over the realisation on sale of such portion is treated as a part of the cost of acquisition of the convertible portion of the debenture.
- (j) Inventories :
Finished and semi-finished products produced and purchased by the Company are carried at lower of cost or market value. Purchased goods-in-transit are carried at cost.
Work-in-progress is carried at lower of cost or net realisable value.
Coal, iron ore and other raw materials produced and purchased by the Company are carried at lower of cost or market value.
Purchased raw materials-in-transit are carried at cost.
Stores and spare parts are carried at cost.
Cost of inventories is generally ascertained on the 'weighted average' basis.
- (k) Miscellaneous Expenditure — Compensation to employees who have opted for retirement under the Employee Separation Schemes of the Company is amortised over sixty months.

Notes on Balance Sheet and Profit and Loss Account – continued

- (l) Secured Loans :
Discount Charges on Discount Bonds are written off over the period of the Bonds.
2. **Contingent Liabilities :**
- (a) Guarantees —
The Company has given guarantees (excluding guarantees covered in Note 10(a), Page 60) aggregating to Rs. 53.47 crores (31.3.1997 : Rs. 53.67 crores) to banks and financial institutions on behalf of others. As at 31st March, 1998 the contingent liabilities under these guarantees amounted to Rs. 52.44 crores (31.3.1997 : Rs. 16.82 crores).
- (b) Claims for taxes and miscellaneous items not acknowledged by the Company —
(i) Gross — Rs. 455.02 crores (31.3.1997 : Rs. 380.30 crores).
(ii) Net of tax — Rs. 325.89 crores (31.3.1997 : Rs. 277.45 crores).
- (c) Claim by a party arising out of conversion arrangement — Rs. 195.82 crores (31.3.1997 : Rs. 237.87 crores). The Company has not acknowledged this claim and has instead filed a claim of Rs. 139.65 crores (31.3.1997 : Rs. 139.65 crores) on the party. The dispute is under arbitration.
- (d) Uncalled liability on partly paid shares and debentures Rs. 0.01 crore (31.3.1997 : Rs. 0.01 crore).
- (e) Bills discounted Rs. 115.05 crores (31.3.1997 : Rs. 49.13 crores).
- (f) Cheques discounted: Amount indeterminate.
3. The Supreme Court, vide its judgement dated 4th April, 1991, held that cess on mining royalty is ultra-vires the constitution. Based on this judgement, the Company has filed clarification applications which are pending in the Supreme Court seeking the Court's declaration whether the cess on mining royalty in the State of Bihar should be held unconstitutional from 7th December, 1988, based on the Supreme Court's judgement in a similar case. In the meantime, the Government of India passed the Cess and other Taxes on Minerals (Validation) Act, 1992 declaring valid upto 4th April, 1991 *inter alia* the provisions of the Cess Act, 1880 (Bengal Act 9 of 1880) as applicable to the State of Bihar and the Orissa Cess Act, 1962. Arising out of this enactment, demands have been received from the District Mining Officers amounting to Rs. 64.55 crores. A Writ Petition was filed by the Company in the Patna High Court challenging the aforesaid Act. The Patna High Court has quashed the demands of cess on royalty raised by the Government authorities amounting to Rs. 64.55 crores. The Government of Bihar has filed an appeal in the Supreme Court against the above Order. Pending final resolution of this matter, no provision has been made for the demand made on the Company.
4. (a) The Company has given undertakings to (a) IDBI, IFCI, LIC, IIBI, Union Bank of India and ICICI not to dispose of its investment in Tinplate Company of India Limited, (b) IDBI, IFCI, LIC and ICICI not to dispose of its investment in Tata Sponge Iron Limited, (c) ICICI, IFCI and IIBI not to dispose of its investment in the Indian Steel Rolling Mills Ltd., (d) ICICI and IFCI not to dispose of its investment in Tata Honeywell Ltd., (e) IDBI not to dispose of its investment in Tata Timken Ltd., (f) IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (g) IDBI and ICICI not to dispose of its investment in Standard Chrome Ltd., and (h) Citibank N.A. New York, Chase Manhattan Bank, New York, Mashreq Bank and ANZ Banking Group Ltd., not to dispose of its investment in Tata Incorporated, New York, (i) IDBI not to dispose of its investment in Tata Metaliks Ltd., without the prior consent of the respective financial institutions/banks so long as any part of the loans sanctioned by the institutions/banks to these nine companies remains outstanding. The Company has also furnished a Security Bond in respect of its immovable property to the extent of Rs. 20 crores in favour of the Registrar of the Delhi High Court and has given an undertaking not to sell or otherwise dispose of the said property.
- (b) The Company has given an undertaking to IDBI, IFCI, ICICI and LIC in consideration of a Loan of Rs. 2.19 crores granted by the said institutions to Tata Sponge Iron Limited to provide additional funds which may be needed by the latter to complete the project and for working capital.
- (c) The Company has given an undertaking to IDBI in consideration of loans aggregating to Rs. 8.08 crores granted by IDBI to Tata Timken Limited to provide additional funds as may be required by Tata Timken Limited to meet the shortfall in the resources of this Company for completing the project and/or for working capital as also to provide such additional funds as may be required to meet cash losses of Tata Timken Limited in excess of Rs. 7.13 crores as projected during the initial years of operation of Tata Timken's project.
5. The total future liability for retiring gratuities payable in accordance with the Payment of Gratuity Act and the Company's Rules is actuarially determined as on 31st March, 1998 at Rs. 239.37 crores (31st March, 1997 : Rs. 220.17 crores). Having regard to the amounts available with the Gratuity Fund and the balance of Rs. 3.54 crores (31st March, 1997 : Rs. 3.35 crores) in Provision for Retiring Gratuities Account, the liability is fully covered after taking credit for the tax saving applicable thereto.
6. The Wage Agreements entered into by the Company with the employees at Jamshedpur and certain other locations expired during 1996-97 and fresh Agreements are under negotiation. Pending finalisation of these negotiations, provision on an estimated basis has been made and included in wages and salaries under Item 3(a) of Schedule 4 and no separate allocation has been made towards the Company's contribution to Provident and other Funds included therein. Any adjustment necessary, consequent on final determination of the liability pertaining to the period ended 31st March, 1998 will be made in the year in which such negotiations are concluded.
7. (a) Provision for Employee Separation Compensation has been calculated on the basis of the net present value of the future monthly payments of pension and initial lumpsum benefits payable under the Employee Separation Compensation Schemes including Rs. 134.09 crores (31.3.1997 : Rs. 173.52 crores) in respect of schemes introduced during the year.
- (b) The amount shown under Miscellaneous Expenditure on this account represents the balance amount to be amortised over future years.
- (c) The amounts payable within one year under the schemes aggregate to Rs. 66.29 crores (31.3.1997 : Rs. 48.67 crores).

THE TATA IRON AND STEEL COMPANY LIMITED

Notes on Balance Sheet and Profit and Loss Account – continued

8. The manufacturing and other expenses and depreciation shown in the Profit and Loss Account include Rs. 9.61 crores (1996-97 : Rs. 11.39 crores) and Rs. 0.32 crore (1996-97 : Rs. 0.36 crore) respectively in respect of Research and Development activities undertaken during the year.
9. Sundry Creditors (Item No. (b)(i) and (iii) to Schedule 'K' - Page No. 57) include Rs. 2.85 crores (1996-97 : Rs. 1.08 crores), due to small scale and ancillary undertakings to the extent such parties have been identified from available information.
10. (a) The Company has an investment of Rs. 1.03 crores (31.3.1997 : Rs. 1.03 crores) in Tata Construction and Projects Ltd. (TCPL). As at 31st March, 1998, a net amount of Rs. 5.00 crores (31.3.1997 : Rs. 5.58 crores) is due from TCPL. Further, the Company has given guarantees on behalf of TCPL to banks for loans granted by them to TCPL and the contingent liability under these guarantees is Rs. 6.49 crores (31.3.1997 : Rs. 12.03 crores). TCPL is a sick company and a scheme of revival has been sanctioned by BIFR. In terms of the BIFR Order dated 17th June, 1991, accrued interest on the debentures upto 31.3.1990 together with additional interest thereon had been converted into equity shares. On grounds of prudence, no credit has been taken for interest accrued beyond 31.3.1990 on debentures and interest accrued on loans.
- (b) The Company has an investment of Rs. 0.32 crore (31.3.1997 : Rs. 0.32 crore) in Tata Material Handling Systems Ltd. (TMHSL). A net amount of Rs. 5.05 crores (31.3.1997 : Rs. 5.12 crores) is due from TMHSL on account of inter-corporate deposits, advances on capital account and for services/supplies made to it. TMHSL has accumulated losses.
- (c) The Company has an investment of Rs. 29.68 crores (31.3.1997 : Rs. 29.68 crores) in Tinsplate Company of India Ltd. (TCIL). A net amount of Rs. 119.70 crores (31.3.1997 : Rs. 64.49 crores) is due from TCIL on account of inter-corporate deposits, supply of steel materials, power etc. TCIL has accumulated losses.
- (d) Having regard to the long term involvement in the above companies no provision is considered necessary on these accounts.
11. The Company had issued during 1992-93, 1,15,50,000 Secured Premium Notes (SPN) of Rs. 300 each aggregating to Rs. 346.50 crores with Warrants attached for subscribing to one ordinary share of Rs. 10 each per SPN at a premium of Rs. 70 per share. The warrant holders have exercised their option in respect of 1,11,61,077 Detachable Warrants. For the balance of 3,88,923 Detachable Warrants for which option has not been exercised, the option is deemed to have lapsed except in respect of approximately 12,570 Detachable Warrants applicable to matters which are in dispute and for which the option is deemed to be kept alive till the settlement of the disputes.
No interest or repayment of principal becomes due or accrues on the SPN during the first three years after allotment. Thereafter, the principal amount of the SPN of Rs. 300 each is repayable in 4 equal instalments of Rs. 75 each from the end of the 4th year to the end of the 7th year, together with an equivalent additional amount of Rs. 75 with each instalment. Accordingly the two instalments of SPN have been repaid as at 31.3.1998.
The additional payment of Rs. 75 per SPN every year, will be made up of interest of Rs. 30 and Rs. 15 and redemption premium of Rs. 45 and Rs. 60 in the 6th and 7th year respectively. Premium on redemption of SPN is adjusted to the Share Premium Account on the basis of the outstanding amount towards SPN at the end of every year.
12. The Company has, during 1993-94, issued 2.25% Foreign Currency Convertible Bonds aggregating US\$ 100 Million, at par. The Bonds are convertible during the period upto 2nd March, 1999, at the option of Bondholders, into Global Depository Receipts (GDRs) representing Shares at a price of Rs. 291 per GDR (each GDR representing one Share of the Company). The Bonds may be redeemed at the option of the Company (i) in whole but not in part at their principal amount together with accrued interest if conversion rights shall have been exercised in respect of 95 per cent or more of the principal amount of the Bonds or (ii) at any time on or after 1st April, 1996 in whole or in part at their principal amount together with accrued interest provided that the closing price of the Shares on the Bombay Stock Exchange (the "BSE") is greater than 130 per cent of the Conversion Price then in effect for a period of 30 consecutive trading days. Unless previously redeemed or converted, the Bonds will be redeemed at their principal amount on 1st April, 1999. Upto 31.3.1998 Bonds aggregating US \$ 19,04,000 have been converted into Ordinary Shares of the Company.
13. There has been a change in accounting policy in as much as expenses on issue of Shares, Secured Premium Notes, Foreign Currency Convertible Bonds, Secured Redeemable Non-Convertible Bonds and provision for premium on redemption of Non-Convertible Debentures which were hitherto amortised by a charge to Profit and Loss account have now been adjusted against the Share Premium account. As a result of this change the profit before taxes for the year is higher by Rs. 9.73 crores.
14. Estimated amount of contracts remaining to be executed on Capital Account and not provided for : Rs. 848.73 crores (31.3.1997 : Rs. 750.15 crores).
15. Consequent on the realignment of the value of foreign currency loans, the rupee liability of the Company in respect of such loans has increased by a net amount of Rs. 84.06 crores (1996-97 : Rs. 18.14 crores). This increase has been adjusted in the carrying cost of the fixed assets to the extent of Rs. 84.00 crores (1996-97 : Rs. 18.42 crores) offset by decrease of Rs. 0.28 crore charged to revenue) and Rs. 0.06 crore charged to revenue.
16. The Company has applied to the Bihar Government and other State Governments for exemption of its lands in Jamshedpur and elsewhere from the Urban Land (Ceiling and Regulation) Act, 1976. The decisions of the Bihar and other State Governments are still awaited.
17. The Company has taken on lease Plant and Machinery, having an aggregate cost of Rs. 22.39 crores. Future obligations by way of lease rentals in respect of these lease agreements (net of provisions made) amount to Rs. 2.46 crores (31.3.1997 : Rs. 3.68 crores). The element of the lease rental applicable to the cost of the assets has been charged to the Profit and Loss Account over the estimated life of the asset and financing cost has been allocated over the life of the lease on an appropriate basis. The total charge to the Profit and Loss Account for the year is Rs. 2.09 crores (1996-97 : Rs. 3.17 crores).
18. Provision for taxation (Item 9 of Profit and Loss Account, Page 41) includes provision for taxes of Rs. 0.44 crore (1996-97 : Rs. 0.42 crore) on income, payable in a foreign country.

Notes on Balance Sheet and Profit and Loss Account — continued

19. Licensed and installed capacities and production : ⁽¹⁾	Licensed capacity	Installed capacity ⁽²⁾	Production ⁽³⁾
	Tonnes	Tonnes	Tonnes
Class of Products			
(i) Saleable Steel	N.A. (N.A.)	2,700,000 2,700,000	3,008,679 ⁽⁴⁾ 2,818,816
(ii) Ferro Manganese	N.A. (N.A.)	30,500 30,500	34,220 30,030
(iii) Charge Chrome	N.A. (N.A.)	50,000 50,000	45,621 40,825
(iv) Welded Steel Tubes	N.A. (N.A.)	185,000 185,000	143,943 ⁽⁵⁾ 120,603
(v) Cold Rolled Strips	N.A. (N.A.)	15,800 15,800	— 1,464
(vi) Seamless Tubes	N.A. (N.A.)	52,000 52,000	19,499 26,191
(vii) Carbon and Alloy Steel Bearing Rings, Annular Forgings and Flanges	N.A. (N.A.)	5,250 5,250	2,313 3,292
(viii) Metallurgical Machinery	N.A. (N.A.)	(6)	4,429 7,908
(ix) Ammonium Sulphate	N.A. (N.A.)	23,360 23,360	— 1,657
(x) Ordinary Portland Cement	N.A. (N.A.)	300,000 300,000	363,855 366,225
(xi) Portland Blast Furnace Slag Cement	N.A. (N.A.)	1,430,000 1,430,000	1,239,321 911,650
	Numbers	Numbers	Numbers
(xii) Alloy Steel Ball Bearing Rings	N.A. (N.A.)	20,500,000 20,500,000	10,540,982 ⁽⁷⁾ 15,815,726
(xiii) Bearings	N.A. (N.A.)	15,000,000 15,000,000	11,689,031 15,500,628

N.A. Not applicable in terms of Government of India's Notification No. S.O. 477(E) dated 25th July, 1991.

(1) Excluding items intended for captive consumption.

(2) As certified by the Managing Director and accepted by the Auditors.

(3) Including production for works use & for conversion by third parties into finished goods for sale.

(4) Including semi-finished steel produced 1,104,544 tonnes (1996-97 : 810,601 tonnes) and steel transferred for manufacture into Tubes/C.R. Strips at the Company's Tubes Division 200,355 tonnes (1996-97 : 187,137 tonnes).

(5) Including Tubes used in the manufacture of Tubular Steel Structures and Scaffoldings.

(6) There is no separate installed capacity.

(7) Including rings transferred for manufacture of Bearings.

THE TATA IRON AND STEEL COMPANY LIMITED

Notes on Balance Sheet and Profit and Loss Account — continued

20. Turnover, Closing and Opening Stocks :

Class of Products	Turnover ⁽¹⁾		Closing Stock		Opening Stock	
	Tonnes	Rupees crores	Tonnes	Rupees crores	Tonnes	Rupees crores
(i) Saleable Steel (Finished)	2,076,533 ⁽²⁾	3447.23	202,427	247.25	167,772	207.96
	2,121,205	3513.11	167,772	207.96	147,889	180.11
Agrico products		38.88		1.74		2.49
		35.54		2.49		2.37
		3486.11		248.99		210.45
		3548.65		210.45		182.48
(ii) Semi-finished steel and scrap	839,842	840.08	161,303	115.43	202,788	153.01
	672,778	670.33	202,788	153.01	175,959	118.23
(iii) Welded Steel Tubes	131,028 ⁽³⁾	325.47	14,274	28.17	10,700	20.28
	118,551	289.08	10,700	20.28	14,743	27.17
(iv) Cold Rolled Strips	—	—	21	0.04	24	0.05
	1,647	3.75	24	0.05	444	0.82
(v) Seamless Tubes	20,744	62.12	1,647	3.97	4,245	9.53
	25,495	80.25	4,245	9.53	4,761	11.18
(vi) Carbon and alloy steel bearing rings...	2,414	12.32	85	0.33	1,207	5.90
	2,824	14.01	1,207	5.90	259	0.69
(vii) By-products, etc.		34.68		0.49		0.38
		26.98		0.38		0.90
(viii) Raw materials :—						
(a) Ferro Manganese	2,094	4.20	—	—	—	—
	7,969	16.63	—	—	—	—
(b) Charge Chrome/Ferro Chrome ⁽⁴⁾	79,697	184.70	15,925	23.82	11,777	13.95
	92,912	209.50	11,777	13.95	14,731	20.01
(c) Other raw materials		303.72	—	—	—	—
		266.29	—	—	—	—
(ix) Other products ⁽⁵⁾		63.82		42.62		43.14
		73.13		43.14		57.15
	Numbers		Numbers		Numbers	
(x) Alloy steel ball bearing rings ⁽⁶⁾	8,573,358	40.16	1,980,811	9.73	3,841,160	7.81
	13,278,436	52.77	3,841,160	7.81	982,029	1.99
(xi) Bearings	10,829,721	69.02	2,465,786	14.05	1,704,701	7.51
	14,138,544	99.01	1,704,701	7.51	390,821	1.82
	Tonnes		Tonnes		Tonnes	
(xii) Metallurgical Machinery	4,233	56.43	—	—	—	—
	5,085	62.45	—	—	—	—
(xiii) Ammonium Sulphate	—	—	—	0.03	—	0.03
	1,908	0.67	—	0.03	—	0.07
(xiv) Ordinary Portland Cement	357,868	71.64	11,760	1.96	9,367	1.84
	364,646	81.49	9,367	1.84	10,143	1.94
(xv) Portland Blast Furnace Slag Cement	1,172,225	246.43	48,350	7.95	32,616	5.35
	859,556	196.80	32,616	5.35	37,690	5.21
(xvi) Sale of Purchased Materials						
(a) Saleable steel (finished/converted)	188,934	205.38	1,434	1.92	4,340	7.81
	226,857	239.33	4,340	7.81	15,969	14.65
(b) Scrap/Sponge Iron/Hot Briquetted Iron etc.	89,401 ⁽⁷⁾	111.19 ⁽⁷⁾	532 ⁽⁸⁾	0.85 ⁽⁸⁾	2,420	0.37
	211,366	129.20	2,420	0.37	2,973	1.62
		6117.47		500.35		487.41
		6060.32		487.41		445.93

Notes :

- (1) Turnover includes exchange differences : Rs. 5.59 crores (1996-97 : Rs. 6.40 crores).
- (2) Including steel material converted by re-rollers : 5,75,993 tonnes (1996-97 : 504,759 tonnes).
- (3) Includes Welded Steel Tubes converted under conversion arrangement 437 tonnes (1996-97 : Nil tonnes).
- (4) Turnover includes Ferro Chrome converted under conversion arrangements 38,130 tonnes (1996-97 : 47,651 tonnes).
- (5) Includes tubular steel structures Rs. 23.44 crores (1996-97 : Rs. 14.92 crores).
- (6) Turnover includes sale proceeds of Salvaged Rings, Stock includes Semi-Finished Rings/Flanges.
- (7) Turnover includes Bearings Nos. 1,069,603 – Rs. 42.39 crores (1996-97 : Nil), Tubes 49 tonnes – Rs. 0.25 crore (1996-97 : Nil) and Ferro Chrome 1648 tonnes – Rs. 3.80 crores (1996-97 : Nil).
- (8) Stock includes 151 tonnes of tubes valued at Rs. 0.67 crore (1996-97 : Nil).

Notes on Balance Sheet and Profit and Loss Account — continued

	Tonnes	Rupees crores
21. Purchase of Finished, Semi-finished Steel and Other Products : (1)		
A. For Resale :		
(i) Finished/Semi-finished steel materials	185,234	192.86
	224,213	220.13
(ii) Scrap/Pig Iron/Sponge Iron/Hot Briquetted Iron (2)	85,712	59.90
	211,638	122.37
(iii) Others (3)		47.56
		4.69
B. For Own Consumption :		
(i) Finished/Semi-Finished Steel Materials	42,796	73.87
	47,953	99.88
(ii) Others (Rings, Sockets etc.) (4)		78.39
		30.12
		452.58
		477.19
(1) including exchange differences of Rs. 0.01 crore (1996-97 : Rs. 0.37 crore)		
(2) including for conversion by third parties into finished and semi-finished materials for resale.		
(3) includes value of Bearings Rs. 41.14 crores (1996-97 : Nil), Tubes Rs. 0.89 crore (1996-97 : Nil)		
and Ferro Chrome Rs. 3.79 crores (1996-97 : Nil)		
(4) includes components for manufacture of metallurgical machinery		
Rs. 54.48 crores (1996-97 : Rs. 6.56 crores)		

	Tonnes	Rupees crores
22. Raw materials consumed : @		
(i) Iron ore	5,247,568	144.06
	5,306,604	133.81
(ii) Coal [excluding 2,723,982 tonnes (1996-97 : 2,685,608 tonnes) valued at		
Rs. 561.15 crores (1996-97 : Rs. 543.33 crores) used for manufacturing coke]	1,710,244	125.00
	1,777,855	135.44
(iii) Coke	2,014,316	613.19
	1,938,022	594.58
(iv) Limestone and Dolomite	2,621,801	143.66
	2,503,436	147.13
(v) Ferro Manganese	17,205	34.53
	16,143	30.93
(vi) Ferro Silicon	4,264	15.57
	4,582	13.86
(vii) Spelter, sulphur and other materials [excluding 88,523 tonnes valued at		
Rs. 15.63 crores (1996-97 : 77,291 tonnes valued at Rs. 13.64 crores) used in		
the manufacture of Ferro Manganese]	2,065,620	303.33
	1,677,139	285.25
		1379.34
		1341.00

Note : The consumption figures shown above are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.

@ Including exchange differences of Rs. 5.35 crores (1996-97 : 3.14 crores)

		Rupees crores
23. Value of direct imports (C.I.F. value) :		
(i) Raw materials		355.47
		294.99
(ii) Semi-finished products		5.93
		39.21
(iii) Components, stores and spare parts		78.05
		84.32
(iv) Capital goods		116.89
		60.27
(v) Exchange adjustment (See Note 15, Page 60)		
24. The value of consumption of directly imported and indigenously obtained raw materials, stores and spare parts and the percentage of each to the total consumption :		

	Raw materials		Components, stores and spare parts	
	Rupees crores	Percentage	Rupees crores	Percentage
(a) Directly imported	435.88	31.60	95.93	11.19
	382.82	28.55	94.53	11.24
(b) Indigenously obtained	943.46	68.40	761.65	88.81
	958.18	71.45	746.76	88.76
	1379.34	100.00	857.58	100.00
	1341.00	100.00	841.29	100.00
Less : Consumption charged to other revenue accounts			437.68	
			442.72	
			419.90	
			398.57	

Notes : (i) The consumption figures shown above are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc.
(ii) In respect of items which are purchased both from indigenous and imported sources, the identity of individual items consumed cannot be established but segregation of consumption between imported and indigenous sources has been made on a reasonable approximation determined from the Company's records.

THE TATA IRON AND STEEL COMPANY LIMITED

Notes on Balance Sheet and Profit and Loss Account — continued

25. Expenditure in foreign currency :

	Rupees crores	Previous Year Rupees crores
(i) Technical Know-how and Technical Consultants' Fees (net of taxes) including Rs. 30.53 crores on capital account (1996-97 : <i>Rs. 15.23 crores</i>)	31.52	16.79
(ii) Interest and Commitment charges :		
(a) Payable in foreign currencies	53.51	36.39
(b) Payable in rupees to financial institutions towards interest on foreign currency loans	0.32	0.72
(iii) Commission	7.52	4.25
(iv) Payable on other accounts	8.16	16.36

26. Remittance in foreign currencies for dividends :

The Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars of dividends for the year 1996-97 payable to non-resident shareholders, which dividends were declared during the year, are as under :

	Current Year	Previous Year
(i) Number of non-resident shareholders	1,536	1,270
(ii) Number of Ordinary shares held by them	12,597,884	13,064,285
(iii) Gross amount of dividends	Rs. 566.90 lakhs	<i>Rs. 587.89 lakhs</i>

27. Earnings in foreign exchange :

- (i) Export of steel and other materials (at F.O.B. value) **Rs. 722.47** crores (1996-97 : *Rs. 656.21 crores*) [including value of exports through export houses and deemed exports of **Rs. 1.83** crores (1996-97 : *Rs. 2.41 crores*), sale proceeds having been realised in rupees].
- (ii) Interest received on balances with State Bank of India, New York, Frankfurt and London out of the unutilised funds disbursed by International Finance Corporation, Washington and Bank of Tokyo – Mitsubishi (Deutschland) A.G. and other Banks **Rs. 1.66** crores (1996-97 : *0.58 crore*).
- (iii) Dividend **Rs. 0.34** crore (1996-97 : *Rs. 0.36 crore*).
- (iv) Agency Commission **Rs. 1.52** crores (1996-97 : *Rs. 2.70 crores*).
- (v) Others **Rs. 8.14** crores (1996-97 : *Rs. 4.72 crores*).

28. Previous year's figures have been recast/restated wherever necessary.

29. Figures have been shown in rupees crores only, in accordance with the approval received from the Company Law Board.

30. Figures in italics are in respect of the previous year.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 260 State Code 11

Balance Sheet Date 31 03 98

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement*
Nil	2,000,000

* Non-Convertible Debentures placed with Institutions/Banks

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

	Total Liabilities	Total Assets
	89,248,323	89,248,323
Sources of Funds	Paid-up Capital	Reserves & Surplus
	3,675,636	36,973,219
	Secured Loans	Unsecured Loans
	36,681,340	9,110,066
	Other Liabilities	
	2,808,062	
Application of Funds	Net Fixed Assets	Investments
	63,000,351	6,234,521
	Net Current Assets	Misc. Expenditure
	17,042,757	2,970,694

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
65,165,786	61,532,467
Profit/(Loss) Before Tax	Profit/(Loss) After Tax
(+) 3,633,319	(+) 3,220,819
Earnings per Share in Rs. (Weighted Average)	Dividend rate %
8.75	40

V. Generic Names of Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	72082600
Product Description	Flat Rolled Products of Non Alloy Steel of a width of 600 mm and more hot rolled coils of thickness 1.6 mm to 12 mm
Item Code No. (ITC Code)	73045901
Product Description	Tubes/Pipes etc. of circular section with outer diameter upto 114.3 mm, not cold rolled
Item Code No. (ITC Code)	25231000
Product Description	Portland and Slag Cement

THE TATA IRON AND STEEL COMPANY LIMITED

Cash Flow Statement for the year ended 31st March, 1998

	Year Ended 31-3-1998 Rs. Crores	Year Ended 31-3-1997 Rs. Crores
A. Cash Flow from Operating Activities :		
Net Profit before tax and Extraordinary Items	363.33	542.21
Adjustments for :		
Depreciation	343.23	326.83
(Profit)/Loss on sale of Assets/Discarded Assets written off	(11.29)	(8.07)
(Profit)/Loss on sale of investments and provision for diminution in value of investments	(12.17)	(3.13)
Interest income	(92.23)	(136.00)
Dividend income	(26.65)	(25.49)
Interest on borrowings	323.42	389.08
Miscellaneous Expenditure (Amortised)	112.19	84.35
Miscellaneous Expenditure paid	(80.64)	(100.41)
Provision for Wealth Tax	0.40	0.75
	<u>556.26</u>	<u>527.91</u>
Operating Profit before Working Capital Changes	919.59	1,070.12
Adjustments for :		
Trade and Other Receivables	(9.38)	(229.92)
Inventories	(17.92)	51.51
Trade Payables and Other Liabilities	(11.85)	(10.41)
	<u>(39.15)</u>	<u>(188.82)</u>
Cash Generated from Operations	880.44	881.30
Interest paid	(323.15)	(392.75)
Direct Taxes paid	(63.23)	(57.35)
	<u>(386.38)</u>	<u>(450.10)</u>
Net Cash from Operating Activities A	<u>494.06</u>	<u>431.20</u>
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(1,119.44)	(756.37)
Sale of fixed assets	13.86	304.77
Purchase of investments	(101.98)	(469.31)
Sale of investments	168.51	208.82
Intercompany deposits	259.90	(153.10)
Interest received	101.89	136.97
Dividend received	26.65	25.49
	<u>(650.61)</u>	<u>(702.73)</u>
Net Cash used in Investing Activities : B	<u>(650.61)</u>	<u>(702.73)</u>
C. Cash Flow from Financing Activities :		
Proceeds from issue of share capital	1.45	1.22
Capital contributions received	2.30	—
Borrowings (net)	496.49	241.57
Dividends paid	(165.66)	(156.97)
	<u>334.58</u>	<u>85.82</u>
Net Cash from Financing Activities C	<u>334.58</u>	<u>85.82</u>
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	<u>178.03</u>	<u>(185.71)</u>
Cash and Cash equivalents as at 1st April, 1997 (Opening Balance)	<u>251.38</u>	<u>437.09</u>
Cash and Cash equivalents as at 31st March, 1998 (Closing Balance)	<u>429.41</u>	<u>251.38</u>

Notes : (i) Figures in brackets represent outflows.

(ii) Cash and cash equivalents is net of exchange rate difference of Rs. 4.72 crores (31.3.1997 : Rs. 0.67 crore).

For and on behalf of the Board,

Mumbai, 28th May, 1998.

MRS. S. S. KUDTARKAR
Company SecretaryJAMSHED J. IRANI
Managing DirectorRATAN N. TATA
Chairman

AUDITORS' CERTIFICATE

To,
The Board of Directors,
The Tata Iron and Steel Company Ltd.,
Bombay House, 24, Homi Mody Street,
Fort, Mumbai - 400 001.

We have examined the attached Cash Flow Statement of The Tata Iron and Steel Company Limited for the year ended 31st March, 1998. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreements with the Stock Exchanges and is based on and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of 28th May, 1998 to the members of the Company.

For A. F. FERGUSON & CO.
Chartered AccountantsV. K. KALRA
Partner

Mumbai, 28th May, 1998.

For S. B. BILLIMORIA & CO.
Chartered AccountantsY. H. MALEGAM
Partner

Production Statistics

('000 Tonnes)											
Year	Iron Ore	Coal	Iron	Crude Steel	Rolled/ Forged Bars & Structurals	Plates	Sheets	Strips	Railway Materials	Semi- Finished for Sale	Total Saleable Steel
1920-21	409	377	258	174	51	—	—	—	69	4	124
1925-26	1,121	771	582	479	104	21	30	—	128	42	325
1930-31	1,190	593	725	635	162	35	50	—	142	61	450
1935-36	1,542	462	914	894	266	47	121	—	93	145	672
1940-41	1,867	908	1,199	1,101	302	78	166	—	122	179	847
1945-46	1,707	883	1,022	1,030	249	58	146	—	176	129	758
1950-51	2,046	1,137	1,130	1,078	279	69	152	—	99	197	796
1955-56	2,001	1,536	1,168	1,076	246	61	148	—	130	227	812
1956-57	1,999	1,528	1,169	1,088	220	64	161	35	106	226	812
1957-58	2,074	1,488	1,109	1,122	210	72	161	71	103	182	799
1958-59	2,198	1,590	1,149	1,166	212	71	134	103	77	302	899
1959-60	2,551	1,705	1,591	1,555	298	89	134	164	98	454	1,237
1960-61	2,275	1,714	1,586	1,622	369	85	132	161	112	404	1,263
1961-62	2,104	1,700	1,645	1,643	449	77	134	173	114	371	1,318
1962-63	2,616	2,047	1,764	1,799	472	90	149	178	131	393	1,413
1963-64	2,953	2,173	1,809	1,892	534	96	154	162	127	434	1,507
1964-65	3,125	2,264	1,885	1,956	548	101	164	197	133	425	1,568
1965-66	3,232	2,175	1,917	1,979	555	98	166	181	128	440	1,568
1966-67	3,009	2,088	1,926	2,001	556	104	152	177	114	465	1,568
1967-68	2,728	1,974	1,798	1,933	518	111	155	138	118	494	1,534
1968-69	2,821	2,108	1,715	1,816	510	110	163	186	125	371	1,465
1969-70	2,564	2,172	1,624	1,708	479	104	159	179	120	399	1,440
1970-71	2,402	1,959	1,664	1,716	512	101	164	180	78	340	1,375
1971-72	2,844	1,940	1,631	1,709	497	106	184	185	85	330	1,387
1972-73	3,231	1,997	1,681	1,690	530	99	175	187	55	412	1,458
1973-74	2,922	2,134	1,435	1,514	482	93	131	169	22	303	1,200
1974-75	2,940	2,209	1,668	1,722	562	103	166	179	38	413	1,461
1975-76	2,965	2,181	1,652	1,787	547	111	164	173	46	445	1,486
1976-77	3,138	2,135	1,754	1,908	522	112	146	178	48	544	1,550
1977-78	2,972	2,239	1,762	1,968	510	107	129	165	56	634	1,601
1978-79	2,808	2,134	1,672	1,866	493	103	132	180	53	555	1,516
1979-80	2,549	2,065	1,516	1,781	409	73	122	154	34	656	1,448
1980-81	2,698	2,196	1,648	1,875	381	82	121	148	28	777	1,537
1981-82	2,991	2,327	1,774	1,962	525	99	151	149	22	660	1,606
1982-83	3,224	2,671	1,793	1,957	501	103	137	119	11	750	1,621
1983-84	3,137	3,335	1,746	1,973	488	107	129	138	20	744	1,626
1984-85	3,454	3,582	1,804	2,049	512	122	139	168	19	754	1,714
1985-86	3,184	3,739	1,752	2,094	484	108	134	169	18	859	1,702
1986-87	3,305	3,796	1,940	2,250	436	93	122	152	13	1,091	1,861
1987-88	3,237	3,793	2,018	2,275	591	99	127	155	13	929	1,862
1988-89	3,569	3,793	2,238	2,313	637	93	131	166	13	904	1,900
1989-90	3,726	3,754	2,268	2,323	553	91	117	155	17	1,033	1,913
1990-91	3,509	3,725	2,320	2,294	558	88	118	153	14	1,013	1,901
1991-92	3,996	3,848	2,400	2,415	599	92	123	170	9	1,045	1,978
1992-93	4,126	3,739	2,435	2,477	575	78	122	163	7	1,179	2,084
1993-94	4,201	3,922	2,598	2,487	561	—	124	281	6	1,182	2,117
1994-95	4,796	4,156	2,925	2,788	620	—	137	613	2	1,074	2,391
1995-96	5,181	4,897	3,241	3,019	629	—	133	1,070	—	869	2,660
1996-97	5,766	5,294	3,440	3,106	666	—	114	1,228	—	811	2,783
1997-98	5,984	5,226	3,513	3,226	634	—	60	1,210	—	1,105	2,971

Note :

Figures of total saleable steel for 1985-86 and onwards are after adjustments for steel transferred to and production at the Tubes Division.

THE TATA IRON AND STEEL COMPANY LIMITED

Financial Statistics

(Rupees Crores)

Year	CAPITAL ACCOUNTS						REVENUE ACCOUNTS							
	Capital	Reser- ves and Surplus	Borrow- ings	Gross Block	Net Block	Invest- ments	Gross Reve- nue	Expen- diture	Depre- ciation	Profit before Taxes	Taxes	Profit after Taxes	Net Transfer to Reserves	Divi- dends
1925-26	10.45	0.98	6.66	20.76	15.89	0.25	6.99	6.04	0.60	0.35	—	0.35	—	0.35
1930-31	10.47	1.12	5.73	23.41	15.21	0.30	5.73	4.74	0.80	0.19	—	0.19	—	0.19
1935-36	10.47	1.39	1.21	24.07	13.42	0.63	7.55	5.11	0.98	1.46	0.25	1.21	—	0.13
1940-41	10.47	3.36	2.29	29.25	15.19	1.23	17.99	11.00	1.50	5.49	2.45	3.04	0.75	2.30
1945-46	10.47	7.50	2.45	35.25	15.50	2.15	22.36	14.75	1.25	6.36	3.75	2.61	0.70	1.82
1950-51	10.47	11.73	2.50	42.76	15.15	2.80	30.23	23.49	2.15	4.59	2.10	2.49	1.00	1.50
1955-56	17.34	15.23	11.98	69.39	32.44	5.99	41.93	30.27	2.40	9.26	3.45	5.81	4.07	1.76
1956-57	25.94	20.20	21.53	93.45	54.79	5.38	44.14	32.69	2.47	8.98	3.42	5.56	3.70	1.93
1957-58	30.66	24.50	60.19	147.06	105.04	5.41	48.26	38.47	3.91	5.88	0.90	4.98	2.92	2.41
1958-59	30.72	26.15	83.78	171.79	124.78	5.94	56.12	47.72	5.53	2.87	0.17	2.70	0.57	2.47
1959-60	38.97	27.09	77.07	177.92	122.95	8.84	76.46	62.31	8.47	5.68	—	5.68	1.92	3.76
1960-61	38.97	27.67	69.04	185.52	116.76	8.85	87.08	68.07	13.92	5.09	—	5.09	0.52	4.65
1961-62	38.97	27.97	64.08	190.23	109.06	8.87	92.48	73.24	13.15	6.09	—	6.09	1.44	4.65
1962-63	38.97	40.27*	54.62	195.88	103.32	8.85	103.44	81.22	11.66	10.56	0.80	9.76	4.86	4.89
1963-64	38.97	47.41*	47.27	200.38	100.15	9.86	115.20	90.76	7.97	16.47	4.75	11.72	6.45	5.25
1964-65	38.97	50.94*	43.74	204.45	94.52	10.62	126.91	102.06	10.14	14.71	6.15	8.56	3.30	5.25
1965-66	38.97	56.35*	34.87	211.87	92.27	11.66	134.00	106.86	10.40	16.74	7.10	9.64	4.40	5.25
1966-67	50.00	48.44*	51.47	238.03	107.36	11.26	130.78	107.32	11.49	11.97	4.40	7.57	2.32	5.27
1967-68	50.00	50.23*	50.23	251.56	109.07	11.29	137.67	117.21	12.12	8.34	2.45	5.89	0.62	5.27
1968-69	50.00	51.82*	44.05	258.08	103.62	12.28	142.87	120.11	12.94	9.82	3.60	6.22	0.95	5.27
1969-70	50.00	52.71*	37.73	268.31	101.51	12.22	151.21	126.69	13.19	11.33	5.20	6.13	0.86	5.27
1970-71	50.00	55.58*	36.10	287.86	106.02	12.21	158.51	128.29	16.10	14.12	6.70	7.42	2.15	5.27
1971-72	50.00	56.92*	43.80	305.78	109.98	12.22	171.95	143.91	16.07	11.97	5.80	6.17	0.90	5.27
1972-73	50.00	58.46*	48.03	329.74	118.36	12.24	210.22	187.19	17.51	5.52	—	5.52	0.25	5.27
1973-74	50.00	63.16*	49.49	346.18	121.31	12.17	197.95	167.10	16.63	14.32	4.45	9.77	6.48	3.29**
1974-75	50.00	75.55*	63.45	366.57	127.30	11.01	279.72	236.63	15.11	27.98	12.80	15.18	10.07	5.11**
1975-76	50.00	77.97	88.30	395.84	142.34	11.09	287.63	258.76	16.20	12.67	3.25	9.42	4.59	4.83
1976-77	62.86	71.17	94.36	417.99	149.57	11.14	332.84	297.51	17.28	18.05	6.00	12.05	6.06	5.99
1977-78	62.86	73.60	87.68	438.51	156.02	11.17	361.30	335.18	18.25	7.87	0.10	7.77	1.27	6.50
1978-79	62.86	80.26	77.74	464.30	165.11	11.45	380.85	335.83	20.12	24.90	7.35	17.55	10.53	7.02
1979-80	62.86	88.11	84.82	499.70	184.51	12.05	454.94	407.04	22.97	24.93	9.00	15.93	8.14	7.79
1980-81	62.86	106.01	104.65	550.48	216.76	14.01	520.86	445.10	23.70	52.06	25.60	26.46	17.90	8.56
1981-82	83.44	120.60	233.74	650.14	304.05	14.04	704.69	599.83	27.21	77.65	30.00	47.65	34.56	13.09†
1982-83	83.44	152.80	310.34	789.76	420.31	20.04	798.16	729.52	23.77	44.87	—	44.87	31.78	13.09
1983-84	72.02+	160.61	380.62	843.64	453.46	20.22	889.54	826.39	43.14	20.01	—	20.01	7.77	12.24
1984-85	72.02	230.24	398.52	911.55	451.55	103.12	1105.02	938.33	69.95@	96.74	12.00	84.74	69.62	15.12
1985-86	82.74	334.19	447.43	1115.76	577.41	144.54	1285.51	1078.55	49.28	157.68	50.00	107.68	90.88	20.60
1986-87	82.63	401.05	517.83	1299.84	708.09	130.12	1416.39	1259.27	57.60	99.52	12.00	87.52	66.86	20.66
1987-88	136.01	476.33	576.65	1525.46	861.88	163.52	1526.78	1340.65	73.98	112.15	20.00	92.15	62.81	29.34
1988-89	156.09	645.53	611.64	1753.13	998.71	234.44	1861.77	1587.74	93.69	180.34	26.00	154.34	108.17	46.17
1989-90	229.43	1103.11	954.11	2062.76	1200.09	795.32	2135.57	1840.95	118.79	175.83	27.30	148.53	97.94	50.59
1990-91	229.89	1194.22	1183.75	2703.29	1713.79	571.86	2330.83	1955.67	137.03	238.13	78.00	160.13	88.79	71.34
1991-92	230.12	1315.36	2051.30	4026.16	2878.19	248.77	2869.70	2426.65	164.89	278.16	64.00	214.16	133.61	80.55
1992-93	278.45	1707.94	3039.55	5463.13	4107.64	170.06	3423.33	3094.84	215.37	127.12	—	127.12	62.30	64.82
1993-94	335.21	2189.53	3428.59	6439.94	4924.39	261.62	3822.64	3464.10	177.70	180.84	—	180.84	84.29	96.55
1994-95	336.87	2351.17	3561.24	6962.89	5213.48	220.65	4649.06	4120.01	247.93	281.12	—	281.12	162.88	118.24
1995-96	367.23	3375.17	3842.14	7408.46	5393.56	410.94	5879.96	5016.56	297.61	565.79	—	565.79	408.82	156.97
1996-97	367.38	3606.64	4082.65	7850.82	5526.40	664.90	6409.43	5540.39	326.83	542.21	73.00	469.21	286.98	182.23#
1997-98	367.56	3697.32	4579.14	8948.52	6300.04	623.45	6516.58	5810.02	343.23	363.33	41.25	322.08	160.10	161.98#

* Inclusive of Dividends subsequently paid from Reserves and Surplus.

** Payable as per the Companies (Temporary Restrictions on Dividends) Act, 1974.

† Including an additional Jubilee Dividend of Rs. 2 per share.

+ Excluding Preference Shares which have been cancelled with effect from 1-4-1983 and Non-Convertible Bonds issued in lieu thereof.

@ Including Rs. 15.05 crores additional depreciation for 1983-84.

Including tax on dividends.

Dividend Statistics

Year	First Preference (Rs. 150) ^a		Second Preference (Rs. 199) ^a		Ordinary (Rs. 75 upto 1975-76 Rs. 100 from 1976-77 ^b and Rs. 10 from 1989-90) ^h		Deferred (Rs. 30) ^c		Total
	Rate Rs. a.p.	Amount Rs. lakhs	Rate Rs. a.p.	Amount Rs. lakhs	Rate Rs. a.p.	Amount Rs. lakhs	Rate Rs. a.p.	Amount Rs. lakhs	
1925-26	18.0.0	9.00	3.12.4	26.14	—	—	—	—	35.14
1930-31	9.0.0	3.89	2.8.0	15.00	—	—	—	—	18.89
1935-36	9.0.0	4.50	17.8.0	121.82	6.0.0	21.00	7.8.0	3.66	150.98
1940-41	9.0.0	4.50	7.8.0	52.04	29.0.0	101.50	172.10.0	84.15	242.19
1945-46	9.0.0	4.50	7.8.0	52.04	23.0.0	80.50	129.8.9	63.15	200.19
1950-51	9.0.0	4.50	7.8.0	52.04	18.0.0	63.00	93.10.5	45.65	165.19
1955-56	9.0.0	4.50	7.8.0	52.04	10.8.0 ^d	134.92	—	—	191.46
1956-57	9.00	4.50	7.50	52.04	9.50	154.10	—	—	210.64
1957-58	9.00	4.50	7.50	52.04	8.25	202.10	—	—	258.64
1958-59	9.00	4.50	7.50	52.04	6.80 ^e	208.73	—	—	265.27
1959-60	9.00	4.50	7.50	58.98	6.80	312.99	—	—	376.47
1960-61	9.00	4.50	7.50	79.89	10.36	380.65	—	—	465.04
1961-62	9.00	4.50	7.50	79.89	10.36	380.66	—	—	465.05
1962-63	9.00	4.50	7.50	79.89	11.00	404.17	—	—	488.56
1963-64	9.00	4.50	7.50	79.89	12.00	440.92	—	—	525.31
1964-65	9.00	4.50	7.50	79.89	12.00	440.92	—	—	525.31
1965-66	9.00	4.50	7.50	79.89	12.00	440.92	—	—	525.31
1966-67	9.00	4.50	7.50	79.89	8.60 ^e	442.39	—	—	526.78
1967-68	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1968-69	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1969-70	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1970-71	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1971-72	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1972-73	9.00	4.50	7.50	79.89	8.60	442.39	—	—	526.78
1973-74	9.00	4.50	7.50	79.89	4.75	244.34	—	—	328.73
1974-75	9.00	4.50	7.50	79.89	8.30	426.95	—	—	511.34
1975-76	9.00	4.50	7.50	79.89	7.75	398.66	—	—	483.05
1976-77	9.00	4.50	7.50	79.89	10.00	514.40	—	—	598.79
1977-78	9.00	4.50	7.50	79.89	11.00	565.84	—	—	650.23
1978-79	9.00	4.50	7.50	79.89	12.00	617.28	—	—	701.67
1979-80	9.00	4.50	7.50	79.89	13.50	694.44	—	—	778.83
1980-81	9.00	4.50	7.50	79.89	15.00	771.60	—	—	855.99
1981-82	9.00	4.50	7.50	79.89	17.00 ^{ef}	1224.28	—	—	1308.67
1982-83	9.00	4.50	7.50	79.89	17.00	1224.28	—	—	1308.67
1983-84	—	—	—	—	17.00	1224.28	—	—	1224.28
1984-85	—	—	—	—	21.00	1512.34	—	—	1512.34
1985-86	—	—	—	—	25.00	2059.43	—	—	2059.43
1986-87	—	—	—	—	25.00	2065.72	—	—	2065.72
1987-88	—	—	—	—	25.00 ^g	2934.29	—	—	2934.29
1988-89	—	—	—	—	30.00 ^g	4616.74	—	—	4616.74
1989-90	—	—	—	—	3.00 ^{hi}	5059.30	—	—	5059.30
1990-91	—	—	—	—	3.10	7134.23	—	—	7134.23
1991-92	—	—	—	—	3.50	8054.78	—	—	8054.78
1992-93	—	—	—	—	2.50 ^j	6482.21	—	—	6482.21
1993-94	—	—	—	—	3.00 ^k	9655.44	—	—	9655.44
1994-95	—	—	—	—	3.50 ⁱ	11823.94	—	—	11823.94
1995-96	—	—	—	—	4.50 ^m	15697.11	—	—	15697.11
1996-97	—	—	—	—	4.50	18222.25 ⁿ	—	—	18222.25 ⁿ
1997-98	—	—	—	—	4.00	16198.05 ^o	—	—	16198.05 ^o

a Subject to deduction of Company's Income-tax from Preference Dividends upto 1958-59.

b Free of tax upto 1958-59 and gross (i.e. inclusive of tax deducted at source) from 1959-60.

c Out of 48,750 Deferred Shares, 26,250 Deferred Shares were issued in 1917 at a premium of Rs. 370 per share.

d On increased number of Ordinary Shares from 1953-54 onwards after conversion of Deferred Shares into Ordinary Shares and issue of Bonus Shares.

e Including on Bonus Shares issued during the year.

f Including an additional Jubilee Dividend of Rs. 2 per share.

g On the Capital as increased by Rights Issue of Ordinary Shares during 1987-88.

h The Ordinary Shares of Rs. 100 each have been sub-divided into Ordinary Shares of Rs. 10 each during 1989-90 and the rate of Dividend is per Ordinary Share of Rs. 10 each.

i On the Capital as increased by shares allotted on Conversion of Convertible Debentures.

j On the Capital as increased by Rights Issue of Ordinary Shares during 1992-93.

k On the Capital as increased by Ordinary Shares issued during 1993-94 against Detachable Warrants.

l On the Capital as increased by Ordinary Shares issued during 1994-95 against Detachable Warrants and Foreign Currency Convertible Bonds.

m On the Capital as increased by Ordinary Shares issued during 1995-96 against Detachable Warrants, Foreign Currency Convertible Bonds and Naked Warrants.

n Includes 10% tax of Rs. 1656.57 lakhs on dividends.

o Includes 10% tax of Rs. 1472.55 lakhs on dividends.

THE TATA IRON AND STEEL COMPANY LIMITED

Distribution of Shareholding

NUMBER OF ORDINARY SHARES HELD	NUMBER OF SHAREHOLDERS	
	31-3-1998	31-3-1997
	%	%
1 to 500	95.68	95.75
501 to 1000	2.53	2.50
1001 to 10000	1.71	1.67
Over 10000	0.08	0.08
	100.00	100.00

Categories of Shareholders

CATEGORY	NUMBER OF SHAREHOLDERS		VOTING STRENGTH %		NUMBER OF ORDINARY SHARES HELD	
	31-3-1998	31-3-1997	31-3-1998	31-3-1997	31-3-1998	31-3-1997
Individuals	926,445	941,172	37.06	36.81	136,446,381	135,522,166
Companies	5,115	4,858	19.31	18.82	71,072,125	69,298,039
Government and Public Financial Institutions	56	39	36.85	37.62	135,648,965	138,499,706
Nationalised Banks, Mutual Funds and Trusts	108	98	3.47	4.23	12,759,169	15,551,916
Foreign Institutional Investors	92	68	3.31	2.52	12,210,765	9,264,741
TOTAL	931,816	946,235	100.00	100.00	368,137,405	368,136,568

**Statement pursuant to Section 212 of the Companies Act, 1956,
related to Subsidiary Companies**

Name of the Subsidiary	Tata Refractories Limited	The Tata Pigments Limited	Kalimati Investment Company Limited	Tata Kori Engineering Services Limited	Tata Incorporated	Stewarts & Lloyds of India Limited	Tata Technodyne Limited	Ipitata Refractories Limited
1. Financial year of the subsidiary ended on	31st March, 1998	31st March, 1998	31st March, 1998	31st March, 1998	31st March, 1998	31st March, 1998	31st March, 1998	31st March, 1998
2. Shares of the subsidiary held by the Company on the above date :								
(a) Number	5,609,670	75,000	14,249,973	240,386	1,500	299,925(a)	2,499,993	Nil(b)
Face value	Ordinary Shares of Rs. 10 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 10 each	Equity Shares of Rs. 10 each	
(b) Extent of holding	51%	100%	100%	60.10%	100%	10%(a)	100%	Nil(b)
	51%	100%	100%	60.10%	100%	10%	Nil	Nil
3. Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of the Company :								
(a) dealt with in the accounts of the Company for the year ended 31st March, 1998	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil	Nil	Nil	Not Applicable	Not Applicable
(b) not dealt with in the accounts of the Company for the year ended 31st March, 1998 (Rs. lakhs)	224.76	160.50	273.46	(190.90)	US \$ 1,305,657 (d) (Rs. 516.19 lakhs)	8.95 (c)	0.38	Nil(c)
	115.06	87.86	140.47	46.14	US \$ 782,383 (Rs. 281.15 lakhs)	11.39	Not Applicable	Not Applicable
4. Net aggregate amount of profits/(losses) for previous years of the subsidiary, since it became a subsidiary so far as they concern members of the Company :								
(a) dealt with in the accounts of the Company for the year ended 31st March, 1998 (Rs. lakhs)	84.15	15.00	95.00	7.21	US \$ 100,000 (Rs. 39.51 lakhs)	4.50	Nil	Nil
	112.19	11.25	142.50	7.21	US \$ 100,000 (Rs. 35.66 lakhs)	Nil	Not Applicable	Not Applicable
(b) not dealt with in the accounts of the Company for the year ended 31st March, 1998 (Rs. lakhs)	1144.10	230.27	5705.24	185.15	US \$ 4,435,790 (d) (Rs. 1753.69 lakhs)	19.78 (c)	Nil	Nil(c)
	1113.19	157.41	5659.77	146.22	US \$ 3,753,407 (Rs. 1348.79 lakhs)	12.89	Not Applicable	Not Applicable
(a) 299,925 Shares of Rs. 10 each, 150,075 Shares of Rs. 10 each and 1,197,000 Shares of Rs. 10 each, in Stewarts & Lloyds of India Limited are held by the Company, Tata Refractories Limited and Kalimati Investment Company Limited, subsidiaries of the Company, respectively. The combined holdings of the Company and its two subsidiaries aforesaid amount to 54.90% of the nominal value of the equity share capital of Stewarts & Lloyds of India Limited. Stewarts & Lloyds of India Limited is a subsidiary of the Company by virtue of provisions of Section 4(1)(b)(ii) read with Section 4(3)(b)(ii) of the Companies Act, 1956.								
(b) 1,224,000 Equity Shares of Rs. 10 each (51.83%) are held by Tata Refractories Ltd. which itself is a subsidiary of the Company. Ipitata Refractories Limited became a subsidiary of the Company by virtue of the provisions of Section 4(1)(c) of the Companies Act, 1956.								
(c) In the case of Stewarts & Lloyds of India Limited and Ipitata Refractories Limited, the amounts shown under 3(b) and 4(b) above represent the net aggregate amounts of profits/(losses) of these subsidiaries attributable to the direct holdings of the Company in them.								
(d) Converted at the average rate of exchange of US \$ 1 = Rs. 39.535 as on 31.3.1998 (Previous Year US \$ 1 = Rs. 35.935 as on 31.3.1997).								
(e) Figures in italics are in respect of the previous year.								

For and on behalf of the Board,

RATAN N. TATA
Chairman

JAMSHED J. IRANI
Managing Director

MRS. S.S. KUDTARKAR
Company Secretary

Mumbai, 28th May, 1998.

TATA REFRACTORIES LIMITED

(A Subsidiary Company)

Directors' Report

To The Members,

The Directors have pleasure in presenting the Thirty-ninth Annual Report and Audited Statements of Account for the financial year ended March 31, 1998.

2. FINANCIAL RESULTS

	Rupees	Previous Year Rupees
Profit before interest, depreciation, employee separation compensation and taxes	24,46,06,537	19,48,15,898
Less : Interest	11,20,22,051	8,71,95,077
Depreciation	8,22,44,088	8,16,58,956
Employee separation compensation	10,84,192	—
Profit Before Taxes	4,92,56,206	2,59,61,865
Less : Provision for Taxes	51,85,000	34,00,000
Profit After Taxes	4,40,71,206	2,25,61,865
Add : the balance brought forward from previous year	1,22,04,857	2,57,92,992
Add : Transfer from Investment Allowance (Utilised) Reserve	1,09,00,000	20,00,000
The disposable profit amounts to which the Directors have appropriated as under to :	6,71,76,063	5,03,54,857
(a) General Reserve	2,00,00,000	2,00,00,000
(b) Proposed Dividend	2,20,00,000	1,65,00,000
(c) Tax on Dividend distribution	22,00,000	16,50,000
TOTAL	4,42,00,000	3,81,50,000
Leaving a balance to be carried forward to	2,29,76,063	1,22,04,857

3. DIVIDEND

The Directors recommend payment of dividend of 20% for the year ended March 31, 1998 if approved by the Shareholders at the forthcoming Annual General Meeting.

4. TURNOVER AND PROFITS

During the year under review, the turnover of the Company increased by 7% to Rs. 224 crores and the sales volume increased by 14% to 78,743 tonnes. Slowdown in economic growth during 1997-98 contributed to lower off-take of refractories by Steel and Cement Plants. Prices were under pressure due to competition. Turnover could not keep pace with the increased sales volume because of lower net realisation.

With the continued cash crunch in the steel and allied industries in the country, there was undue delay in receipt of the dues from customers. In consequence, the Company had to resort to more borrowing to meet its own requirement of working capital, pushing up interest cost. Adverse exchange fluctuations added to the cost of imported raw materials, with no corresponding increase in sale prices of the Company's products. However, to counteract these adverse factors, determined efforts were made to contain and reduce costs wherever possible, improve productivity and better the product-mix with added value. Despite the odds, it is a matter of some satisfaction, that, as a result of these efforts, the profit before tax increased to Rs. 492 lakhs as compared to Rs. 259 lakhs for the previous year.

5. OPERATIONS

The total production during the year was 83,638 tonnes as against 71,269 tonnes of the previous year, an increase of 17%. The Company's DBM Plant at Karuppur and the Fireclay Mines at Talbasta had also performed well, nearly doubled the production compared to previous year.

The export sales at Rs.18.90 crores was the highest achieved so far, an increase of 24% compared to previous year.

The refractory industry is going through a difficult period because of low demand by consuming industries consequent to closure of many mini steel plants and slow down of production in Integrated Steel Plants. To sustain and improve the growth of the Company in the face of severe competition, several short term and long term measures were taken up. Offering voluntary retirement scheme to the employees, avoiding unproductive expenditure through budgetary controls, strengthening information technology to improve productivity, adhering to delivery commitment, continuous upgradation of products were some of these measures.

6. PRODUCT DEVELOPMENT AND PROSPECTS

Coke-oven gunning material produced with technology from Litchenberg, Germany has been successfully used in one of the integrated steel plants.

During the year the Company has signed a technical know-how agreement with A.P. Green Industries Inc., U.S.A., for the manufacture of high alumina castables for which there is a growing demand in the country and abroad.

R&D work was undertaken during the year in order to improve the quality of Slide Plates for getting improved performance. The Company has succeeded in developing high performance slide plates and refractory mastic. With this the Company's market share for Slide Plates is expected to increase in the coming years.

During the year under review the Company had developed and commercialised Low Permeability Mag. dolo bricks for Cement Rotary Kiln; Chrome Magnesite bricks for Copper Industry; Special type low porosity high strength bricks, high alumina bricks with low porosity and high hot strength for Blast Furnaces, Spall resistant magnesite plates and refractory mastic for slide plates. Mag-Alumina Spinel brick for Cement Rotary kiln which would be used in combination with dolomite bricks are on field trial and would be commercialised shortly.

7. ISO - 9002

During the year the Company has received ISO-9002 Certificate for its High Alumina products and Speciality Products were re-certified for ISO-9002. With this, Basic, Dolomite, Silica, High Alumina and Speciality Products are now ISO-9002 certified.

8. SOCIAL ACTIVITIES

Guided by the policies of the House of Tatas, the Company has been pursuing Community Development work since last three decades. Nearly 56 neighbouring villages are covered by the Community Development programme with a view to improve the quality of life. These include providing wholesome drinking water, better sanitation facilities, irrigation facilities, encouraging pisciculture, mushroom culture, construction of school buildings, village roads, organising literacy campaign, games & sports including Boat Race among villagers and self employment programme for both men and women. Apart from this, Family Planning Programme, Eye Camps and Health Education Programmes are being conducted regularly. The mobile dispensary van is rendering unique service to nearly 25,000 needy villagers around Belpahar.

9. ENVIRONMENT AND OCCUPATIONAL HEALTH

The Company has adopted as a part of its mission to protect and upgrade the environment. Various measures taken by the Company for safety and environment protection have been appreciated by various Government agencies. The Company has always placed great emphasis on ensuring health and safety at work places apart from complying with statutory requirements. The Company achieved five million accident free man-hours during the year under review, which was an all time record.

10. INDUSTRIAL RELATIONS

During the year under review the election to ascertain majority status of Unions was conducted by the State Labour Department through secret ballot. The Tata Refractories Shramik Congress (TRSC) got majority and was given recognition by the Company.

The Directors wish to place on record the co-operation extended by the Unions in maintaining cordial industrial relations and for improving production and productivity.

11. SUBSIDIARY COMPANY

During the year your Company has acquired IPICOL's entire equity shareholding in Ipitata Refractories Limited (IRL), after which the total equity shareholding of the Company in IRL increased from 25.4% to 51.83%, thus IRL has become a subsidiary of the Company. It is gratifying that IRL has recorded improved performance during the year.

12. CORPORATE GOVERNANCE

As a step towards good Corporate Governance the Board has constituted the following Committees : (1) Audit Committee, (2) Finance Committee (3) Remuneration Committee, consisting of non-Executive Directors.

13. DIRECTORS

Mr. K.S. Swaminathan retired from the service of the Company as Vice Chairman & Managing Director effective from 12th January, 1998 and also relinquished his Directorship of the Company from that date. The Directors have placed on record their warm appreciation of the valuable services rendered by Mr. K.S. Swaminathan during his tenure as Managing Director and later as Vice Chairman & Managing Director of the Company.

Mr. C.D. Kamath, Joint Managing Director of the Company was appointed as Managing Director, effective from 12.1.1998 by the Board at the Meeting held on December 22, 1997.

Mr. N.P. Sinha and Mr. B. Muthuraman relinquished their Directorship of the Company with effect from 20.10.1997 and 24.11.1997 respectively.

Mr. L.A.K. Sinha relinquished his Directorship of the Company with effect from March 9, 1998. In the casual vacancy created by his resignation the Board appointed Mr. S.D.M. Nagpal who retires at the forthcoming Annual General Meeting (at which Mr. L.A.K. Sinha would have retired in the normal course) and is eligible for re-appointment.

The Directors placed on record their warm appreciation of the valuable guidance and help extended by Mr. N.P. Sinha, Mr. B. Muthuraman and Mr. L.A.K. Sinha during their tenure as Directors of the Company.

In the casual vacancy created by the resignation of Mr. S.B. Singh, the Board appointed Mr. S. Pandey with effect from 15.2.1997. Mr. S. Pandey retires at the forthcoming Annual General Meeting (at which Mr. S.B. Singh would have retired in the normal course) and is eligible for re-appointment.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Dr. T. Mukherjee, Mr. F.S. Tarapore and Mr. B.J. Murthy retire by rotation at the forthcoming Annual General Meeting.

14. AUDITORS

M/s. N.M. Rajji & Co, present Auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. Pursuant to the provisions of Section 224A of the Companies Act, 1956, their re-appointment requires the approval of the members by a special resolution.

15. ENERGY, TECHNOLOGY, FOREIGN EXCHANGE ETC.

Particulars pursuant to the provisions of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A'.

16. PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees of the Company who were in receipt of remuneration of not less than Rs. 3,00,000 during the year ended March 31, 1998 or Rs. 25,000 per month are set out in Annexure 'B'.

On behalf of the Board of Directors,

Dr. J. J. IRANI
Chairman

Jamshedpur, 8th May, 1998.

Annexures to the Directors' Report

Annexure — A

Particulars pursuant to the provisions of Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

(A) CONSERVATION OF ENERGY

- (a) Energy conservation measures taken :
- One energy efficient gas producer has been installed replacing the old gas producer.
 - Using Coal Tar, which is a waste by-product of new gas producer, in place of LDO in Silica air preheater.
 - A blower has been installed in Shaft kiln to recover useful heat energy from outgoing high temperature materials.
 - Energy Audit is being undertaken on energy intensive units by external and internal agencies.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
Action has been taken for modification of Basic Tunnel Kiln by changing old burners with efficient burners, improving the performance of Crushers and Grinders.
- (c) Impact of the above measures :
The above measures have helped in the conservation of energy and have reduced the cost of energy per unit of production.
- (d) Total energy consumption and energy consumption per unit of production are given in Form - A enclosed.

(B) TECHNOLOGY ABSORPTION

- (a) Efforts made in technology absorption are given in Form - B enclosed.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans :
The Company has continued its drive to enter into new export market.
- (b) Total Foreign Exchange used and earned :
Foreign Exchange used : Rs. 3,769 lakhs
Foreign Exchange earned : Rs. 1,893 lakhs

Form — A

Form for disclosure of particulars with respect to Conservation of Energy

(A) POWER & FUEL CONSUMPTION

1. Electricity :	Current Year	Previous Year
(a) Purchased :		
Units (kwh)	2,63,04,737	2,66,33,640
Total Amount (Rs.)	7,89,55,390	7,34,64,997
Rate/Unit (Rs./kwh)	3.00	2.76
(b) Own Generation :		
(i) Through Diesel Generator		
Units (kwh)	2,51,951	1,22,786
Unit per Ltr. of Diesel Oil	2.74	5.36
Cost/Unit (Rs.)	5.57	6.94
(ii) Through Steam Turbine/Generator		—
2. Steam Coal Grade 'B' used in Gas Producers :		
Quantity (Tonnes)	12,703	14,244
Total Cost (Rs.)	1,50,24,816	1,61,16,854
Average Rate (Rs./P.T.)	1,182.78	1,131.48
3. Furnace Oil, L.D. Oil, H.S.D. & L.S.H.S. :		
Belpahar :		
Quantity (K. Litres)	12,085	10,915
Total Amount (Rs.)	8,43,72,362	8,09,79,309
Average Rate (Rs./KL)	6,981.46	7,419.08
Karuppur :		
Quantity (K. Litres)	3,633	2,520
Total Amount (Rs.)	2,54,30,329	1,71,07,246
Average Rate (Rs./KL)	6,999.67	6,788.59

(B) CONSUMPTION PER UNIT OF PRODUCTION OF THE COMPANY

	Standards	Current Year	Previous Year
Refractories produced (MT)		83,646	71,269
Electricity (kwh/tonne)	300	317	375
Steam Coal — Grade 'B' (Kg/tonne)	200	152	200
Furnace Oil, L.D. Oil & L.S.H.S. (Litres/tonne) :			
Belpahar	135	144	153
Karuppur	300	267*	283*

* based on DBM production.

Form — B

Form for disclosure of particulars with respect to Technology Absorption

RESEARCH & DEVELOPMENT

1. **Specific area in which R&D was carried out by the Company**
Development of new products, improvement of quality of existing products, better process for improvement of yield and cheaper raw material composition.
2. **Benefits derived as a result of the above R&D**
Products like spall resistant magnesia slide plate, improved quality alumina-carbon slide plate, refractory mastic, high alumina brick having low A.P. and high hot strength for blast furnace, low permeability mag-dolo brick for transition zone of cement rotary kiln, improved quality dry ramming mass for electric arc furnace, directional porosity porous plug etc. have been developed.
3. **Future Plan of Action**
R & D work for techno-economic raw material composition, better quality, refractory products and process.
4. **Expenditure on R&D**
- | | |
|---|-----------------|
| (a) Capital | Rs. 1.77 lakhs |
| (b) Recurring | Rs. 84.37 lakhs |
| (c) Total | Rs. 86.14 lakhs |
| (d) Total R&D expenditure as a percentage of total turnover | 0.38% |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts, in brief, made towards technology absorption, adaptation and innovations**
Spall resistant magnesia slide plate, improved quality alumina-carbon slide plate, refractory mastic, high alumina brick having low A.P. and high hot strength for blast furnace, low permeability mag-dolo brick for transition zone of cement rotary kiln developed by inhouse R&D have been well received in the market.
2. **Benefits derived as a result of the above efforts i.e. product improvement, cost reduction, product development, import substitution etc.**
Cost effective products with improved performance resulted in better customer satisfaction and higher business potential.
3. **In case of imported technology (Imported during the five years reckoned from the beginning of the financial year) following information may be furnished.**
- | Technology | Year of Import | Status of Implementation |
|--|----------------|--------------------------|
| (i) Dolomite Refractories — Dolomitwerke, Germany | 1992-93 | Commercialised |
| (ii) Basic Tundish Spraying Materials — Monocon Refractories Ltd, U.K. | 1992-93 | Commercialised |
| (iii) Coke Oven Spraying Materials — Lichtenberg, Germany | 1993-94 | Supplies have commenced. |

Annexure — B

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Name	Designation and Nature of Duties	Remuneration received Gross Rs.	Net Rs.	Qualifications	Age in Years	Total Experience in Years	Date of Commencement of Employment	Particulars of last Employment held
1	2	3	4	5	6	7	8	9
Swaminathan K.S.*	Vice Chairman and Managing Director	9,58,199	7,00,939	F.I.E. (India) F.I.I. Ceramics	65	45	24.11.88	Managing Director, Igitata Refractories Limited
Kamath C.D.	Managing Director	8,36,276	6,17,640	B.Tech (Met.)	54	31	01.02.97	Executive-in-Charge, Ring & Agrico Division, Tata Iron & Steel Co. Ltd.
Singh D.K.	Director (Operations)	3,72,725	2,55,545	B.E. (Ceramics)	50	27	01.04.95	Divisional Manager, Development & Control Department, Tata Iron & Steel Co. Ltd.
Pahwa Vijay	Director of Marketing	3,99,122	2,62,927	B.Sc. (Hons) Mining Engineer	51	25	01.08.95	Asst. Director of Marketing Tata Iron & Steel Co. Ltd.

* Indicates earning for part of the year.

- Notes : 1. Gross remuneration comprises salary, allowances, monetary value of perquisites, commission to Directors and the Company's contribution to Provident and Superannuation Funds but excludes contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.
2. Net remuneration is after tax and is exclusive of Company's contribution to Provident and Superannuation Funds and monetary value of non-cash perquisites.
3. None of the employees mentioned is a relative of any Director.
4. The nature of employment in all cases is contractual.

TATA REFRACTORIES LIMITED**Auditors' Report****Report of the Auditors to the Shareholders**

We have audited the attached Balance Sheet of **TATA REFRACTORIES LIMITED** as at 31st March, 1998 and also the annexed Profit and Loss Account for the year ended on that date, and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above —
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet and the Profit and Loss Account are in agreement with the books of account.

(d) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

- (i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 1998 and
- (ii) in the case of Profit and Loss Account of the Profit for the year ended on that date.

For N. M. RAIJI & CO.
Chartered Accountants

VIJAY THACKER
Partner

Mumbai, 16th May, 1998.

Annexure to Auditors' Report

(Referred to in Paragraph 1 of our Report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. The depreciation written off to date is available for groups of assets. The Company has a practice of physically verifying fixed assets by the year end and suitably dealing with discrepancies, if any, noticed on such verification as compared with the book records.
2. None of the fixed assets have been revalued during the year.
3. Stocks of finished products and raw materials have been physically verified during the year by the Management. The Company has a perpetual inventory system in respect of Stores and Spare Parts.
4. The procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stock and the book records were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
6. On the basis of our examination, valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.
7. In respect of Trade Advance and loan taken by the Company from a company listed in the register maintained under Section 301 of the Companies Act, 1956, the rate of interest and other terms and conditions of the advance and loan are *prima facie* not prejudicial to the interest of the Company. The Company has not taken trade advances and loans from companies under the same Management.
8. In respect of loan made by the Company to a company listed in the register maintained under Section 301 of the Companies Act, 1956 the rate of interest and other terms and conditions of the loans are *prima facie* not prejudicial to the overall interest of the Company.
9. The Company has given an unsecured loan of Rs. 115.66 lakhs to its subsidiary company and has funded interest of Rs. 41.47 lakhs due up to 31.3.1998. The loan and funded interest are repayable in specified instalments.
10. In respect of other loans and advances in the nature of loans, the principal amounts are generally being repaid as stipulated and payment of interest where stipulated is also regular.
11. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, raw materials, plant and machinery, equipment and other assets and for the sale of goods.
12. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 50,000 or more in respect of each party, have been made at prices

which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.

13. As explained to us, the Company has a regular procedure for determination and write off of unserviceable or damaged stores, raw materials or finished goods. Adequate provision is made in the accounts upon determination of loss on such items.
14. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 59A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
15. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap. According to the information and explanations given to us, the Company has no realisable by-products.
16. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
17. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
18. According to the records of the Company, Provident Fund dues of the Company have been regularly deposited during the year with the appropriate authorities and there are no arrears of Provident Fund dues as at 31st March, 1998. As explained by the Company, the provisions of the Employees State Insurance Scheme were not applicable during the year.
19. There were no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty outstanding as at the last day of the accounting year for a period more than six months from the date they became payable.
20. According to the information and explanations given to us and the records examined by us, no personal expenses have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
21. The Company is not a sick industrial company in terms of the provisions of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For N. M. RAIJI & CO.
Chartered Accountants

VIJAY THACKER
Partner

Mumbai, 16th May, 1998.

TATA REFRACTORIES LIMITED

Balance Sheet
as at 31st March, 1998

FUNDS EMPLOYED	Schedule	Rupees	Previous Year Rupees
1. Share Capital	A	11,00,00,000	11,00,00,000
2. Reserves and Surplus	B	40,78,60,085	38,79,88,879
3. Total Shareholders' Funds		51,78,60,085	49,79,88,879
4. Loans :			
(a) Secured	C	59,30,91,562	41,82,38,001
(b) Unsecured	D	27,09,02,494	11,91,57,879
5. Total Funds Employed		138,18,54,141	103,53,84,753
APPLICATION OF FUNDS			
6. Fixed Assets	E		
(a) Gross Block		148,04,99,624	145,56,57,048
(b) Less : Depreciation		68,49,45,616	60,33,81,872
(c) Net Block		79,55,54,008	85,22,75,176
7. Investments	F	2,38,47,852	2,15,65,330
8. Current Assets, Loans and Advances			
(a) Stores and Spare Parts at Cost		7,50,92,536	5,54,12,004
(b) Loose Tools		4,75,160	5,17,301
(c) Stock-in-Trade	G	35,56,65,490	22,23,08,388
(d) Sundry Debtors	H	48,91,82,229	42,61,30,998
(e) Cash and Bank Balances	I	3,18,96,125	2,67,88,995
(f) Income accrued on Deposits		75,321	1,11,194
(g) Loans and Advances	J	13,87,40,441	11,61,82,814
		109,11,27,302	84,74,51,694
9. Less : Current Liabilities and Provisions			
(a) Current Liabilities	K	48,47,42,177	63,90,95,687
(b) Provisions	L	10,60,46,763	6,28,20,267
		57,07,88,940	70,19,15,954
10. Net Current Assets		52,03,38,362	14,55,35,740
11. Miscellaneous Expenditure (to the extent not written off or adjusted) :			
(a) Deferred Revenue Expenditure		1,06,72,338	1,60,08,507
(b) Employees Separation Compensation		3,14,41,581	—
12. Total Assets (Net)		138,18,54,141	103,53,84,753
Notes on Balance Sheet and Profit and Loss Account	5		

Profit and Loss Account
for the year ended 31st March, 1998

	Schedule	Rupees	Previous Year Rupees
INCOME			
1. Sale of Products and Services	1	222,44,36,770	209,31,18,064
2. Other Income	2	1,90,69,787	21,94,125
		224,35,06,557	209,53,12,189
EXPENDITURE			
3. Manufacturing and Other Expenses	3	199,54,90,824	189,60,04,424
4. Depreciation		8,22,44,088	8,16,58,956
		207,77,34,912	197,76,63,380
5. Less : Expenditure (included in above items) transferred to Capital Account		19,26,873	8,44,302
		207,58,07,939	197,68,19,078
6. Interest	4	11,20,22,051	8,71,95,077
7. Deferred Revenue Expenditure written off		53,36,169	53,36,169
8. Total Expenditure		219,31,65,159	206,93,50,324
PROFIT BEFORE TAXES AND EMPLOYEE SEPARATION COMPENSATION		5,03,40,398	2,59,61,865
9. Employee Separation Compensation		10,84,192	—
PROFIT BEFORE TAXES		4,92,56,206	2,59,61,865
10. Provision for Income Tax		51,85,000	34,00,000
PROFIT AFTER TAXES		4,40,71,206	2,25,61,865
11. Investment Allowance (Utilised) Reserve written back		1,09,00,000	20,00,000
12. Balance brought forward from last year		1,22,04,857	2,57,92,992
13. Disposable Profit		6,71,76,083	5,03,54,857
14. Appropriations :			
(a) Proposed Dividend		2,20,00,000	1,65,00,000
(b) Corporate Dividend Tax		22,00,000	16,50,000
(c) Transferred to General Reserve		2,00,00,000	2,00,00,000
BALANCE CARRIED TO BALANCE SHEET		2,29,76,083	1,22,04,857
Notes on Balance Sheet and Profit and Loss Account	5		

As per our report annexed

For N. M. RAJJI & CO.
Chartered AccountantsVIJAY THACKER C. S. DAS
Partner Dy. General Manager (Finance)
& Secretary

Mumbai, 16th May, 1998.

For and on behalf of the Board

J. J. IRANI Chairman
C. D. KAMATH Managing Director

Jamshedpur, 8th May, 1998.

As per our report annexed

For N. M. RAJJI & CO.
Chartered AccountantsVIJAY THACKER C. S. DAS
Partner Dy. General Manager (Finance)
& Secretary

Mumbai, 16th May, 1998.

For and on behalf of the Board

J. J. IRANI Chairman
C. D. KAMATH Managing Director

Jamshedpur, 8th May, 1998.

TATA REFRACTORIES LIMITED

Schedules forming part of the Balance Sheet

SCHEDULE A : SHARE CAPITAL

Authorised	
1,50,00,000 Ordinary Shares of Rs. 10 each	
Issued, Subscribed and Paid-up	
1,10,00,000 Ordinary Shares of Rs. 10 each	
Out of the above :	
15,00,000 shares of Rs. 10 each were allotted as fully paid-up bonus shares by capitalisation of General Reserve.	
56,09,670 shares of Rs. 10 each are held by The Tata Iron and Steel Company Limited, the holding Company.	

Rupees	Previous Year Rupees
15,00,00,000	15,00,00,000
11,00,00,000	11,00,00,000

SCHEDULE B : RESERVES AND SURPLUS

	Rupees	Previous Year Rupees
1. Capital Reserve	56,23,192	56,23,192
2. Share Premium	13,80,00,000	13,80,00,000
3. Investment Allowance (Utilised) Reserve		
Balance as per last account	1,98,00,000	2,18,00,000
Less : Amount transferred to		
- Profit & Loss A/c	1,09,00,000	20,00,000
	89,00,000	1,98,00,000
4. General Reserve		
Balance as per last account	21,23,60,830	19,23,60,830
Add : Amount transferred from		
Profit and Loss Account	2,00,00,000	2,00,00,000
	23,23,60,830	21,23,60,830
5. Profit and Loss Account		
Balance carried forward	2,29,76,063	1,22,04,857
	40,78,60,085	38,79,88,879

SCHEDULE C : SECURED LOANS

	Rupees	Previous Year Rupees
(i) Term Loan from Central Bank of India	27,95,00,000	30,10,00,000
(ii) Term Loan from Industrial Investment Bank of India	2,30,00,000	
(The above loans are secured by pari passu mortgage of immovable properties and hypothecation of movable assets except book debts, both present and future, subject to prior charge on stock and stores in favour of Company's Bankers).		
(iii) Term Loan from State Bank of India	3,26,00,000	—
(Secured by a first charge on all movable & immovable assets present and future subject to prior charges for borrowing working capital ranking pari passu, with charges created and /or to be created in favour of the other term lending banks/institutions).		
(iv) Other Loans from Banks	25,79,91,562	11,72,38,001
(Secured by hypothecation of Stocks, Stores and Debtors)		
	59,30,91,562	41,82,38,001

SCHEDULE D : UNSECURED LOANS

	Rupees	Previous Year Rupees
(i) Fixed Deposits	10,03,70,000	5,85,08,000
(ii) Short Term Loans from Companies	17,00,00,000	6,00,00,000
(iii) Interest accrued and due on above	5,32,494	6,49,873
	27,09,02,494	11,91,57,873

SCHEDULE E : FIXED ASSETS

Description	Gross Block at cost as at 31-3-1997 Rs.	Additions Rs.	Deductions Rs.	Gross Block at cost as at 31-3-1998 Rs.	Depreciation for the year Rs.	Total Depreciation up to 31-3-1998 Rs.	Net Block as at 31-3-1998 Rs.
1	2	3	4	5	6	7	8
1. Land	22,37,613 (22,37,613)	— (—)	— (—)	22,37,613 (22,37,613)	— (—)	— (—)	22,37,613 (22,37,613)
2. Buildings and Roads	15,47,15,478 (14,70,02,212)	8,87,122 (77,13,266)	— (—)	15,56,02,600 (15,47,15,478)	35,47,480 (38,63,344)	5,47,24,306 (5,11,76,826)	10,08,78,294 (10,35,38,652)
3. Plant and Machinery	123,73,09,330 (123,14,87,909)	3,89,34,483 (65,16,038)	3,67,649 (6,94,617)	127,58,76,164 (123,73,09,330)	7,65,98,325 (7,57,40,715)	80,26,15,595 (52,63,57,280)	67,32,60,569 (71,09,52,070)
4. Railway Siding	52,19,978 (52,19,978)	— (—)	— (—)	52,19,978 (52,19,978)	1,24,674 (1,24,674)	30,60,819 (29,36,145)	21,59,159 (22,83,833)
5. Furniture, Fixtures and Office Equipment	3,16,85,436 (3,15,26,404)	13,70,235 (1,80,252)	3,26,483 (21,220)	3,27,29,188 (3,16,85,436)	14,94,999 (14,07,637)	1,82,41,370 (1,69,19,809)	1,44,87,818 (1,47,65,627)
6. Vehicles	84,99,500 (85,27,296)	3,72,872 (3,38,000)	2,08,087 (3,65,796)	86,84,265 (84,99,500)	4,78,610 (5,22,586)	83,03,526 (59,91,832)	23,60,759 (25,07,668)
	143,96,67,335 (142,60,01,412)	4,15,64,712 (1,47,47,556)	9,02,219 (10,81,633)	148,03,29,828 (143,96,67,335)	8,22,44,088 (8,16,58,956)	68,49,45,616 (60,33,81,872)	79,53,84,212 (83,62,85,463)
7. Buildings, Plant and Machinery, etc. under erection	1,59,89,713 (26,94,510)	2,57,44,795 (2,80,42,759)	4,15,64,712 (1,47,47,556)	1,69,796 (1,59,89,713)	— (—)	— (—)	1,69,796 (1,59,89,713)
	145,56,57,048 (142,86,95,922)	6,73,09,507 (4,27,90,315)	4,24,66,931 (1,58,29,189)	148,04,99,624 (145,56,57,048)	8,22,44,088 (8,16,58,956)	68,49,45,616 (60,33,81,872)	79,55,54,008 (85,22,75,176)

Note : Figures in brackets are in respect of previous year.

SCHEDULE F : INVESTMENTS - LONG TERM

Trade Investments (At Cost)	No. of Shares	Rupees	Previous Year Rupees
Equity Shares (Unquoted)			
1. Almora Magnesite Limited fully paid-up (Face Value Rs. 77,99,000)	77,990	77,99,000	77,99,000
2. Tata International Limited (Formerly Tata Exports Limited) fully paid-up (Face Value Rs. 18,70,000)	1,870	1,87,000	1,87,000
Investment in Subsidiary Company			
Equity Shares (Quoted)			
1. Ipitata Refractories Limited fully paid-up (Face Value Rs. 1,22,40,000 including 6,24,000 Equity Shares purchased during the year)	12,24,000	93,20,022	60,00,000
Other than Trade Investments (At Cost)			
Equity Shares/Debtures/Bonds (Quoted)			
Equity Shares			
1. Stewarts and Lloyds of India Ltd. fully paid-up (Face Value Rs. 15,00,750)	1,50,075	18,54,260	18,54,260
2. Tata Investment Corporation Ltd. fully paid-up (Face Value Rs. 40,440)	4,044	35,550	35,550
3. Housing Development Finance Corporation Limited fully paid-up (4,000 Equity Shares Face Value Rs. 4,00,000 sold during the year) ..	—	—	10,37,500
4. Tata Construction and Projects Ltd. fully paid-up (Face Value Rs. 14,42,020)	1,44,202	18,42,020	18,42,020
5. HDFC Bank Limited fully paid-up (Face Value Rs. 10,000)	1,000	10,000	10,000

SCHEDULE F : INVESTMENTS - LONG TERM (contd.)

	No. of Shares	Rupees	Previous Year Rupees
6. Jamshedpur Injection Powder Ltd. fully paid-up (Face Value Rs. 20,00,000)	2,00,000	20,00,000	20,00,000
Debtures (Quotation not available)			
7. Tata Construction and Projects Ltd. (13.5% Secured Debtures — Face Value Rs. 8,00,000)	8,000	8,00,000	8,00,000
		2,38,47,852	2,15,65,330
Note : Aggregate of Quoted Investments :			
Cost		37,41,830	47,79,330
Market Value		53,85,221	1,43,97,897
Aggregate of Unquoted Investments :			
Cost (including Quoted Investments in respect of which quotation is not available)		2,01,06,022	1,67,86,000

SCHEDULE G : STOCK-IN-TRADE

	Rupees	Previous Year Rupees
At lower of cost or net realisable value (including goods-in-transit)		
(i) Finished and Semi-finished products	18,07,35,521	15,00,86,012
(ii) Raw Materials	17,49,29,969	7,22,12,376
	35,56,65,490	22,23,08,388

Schedules forming part of the Balance Sheet (contd.)

SCHEDULE H : SUNDRY DEBTORS
(Unsecured, considered good unless otherwise stated)

	Rupees	Rupees	Previous Year Rupees
(i) Over six months old	7,38,54,328		4,79,21,888
(ii) Less : Provision for Doubtful Debts	73,20,433		55,42,650
		8,65,33,895	4,23,79,238
(iii) Others		42,26,48,334	38,37,51,780
		48,91,82,229	42,61,30,998

(Sundry Debtors include Rs. 3,29,973 : Previous Year : Rs. 6,42,352 due from Tata Yodogawa Limited, Rs. 9,88,733 : Previous Year : Rs. Nil due from Tata Korf Engg. Services Ltd. and Rs.14,26,922 : Previous Year : Rs. 37,512 due from Tata Metals Limited, companies under the same management)

SCHEDULE I : CASH AND BANK BALANCES

	Rupees	Previous Year Rupees
(i) Cash in hand	7,30,938	5,20,336
(ii) Remittance-in-transit	8,10,588	4,26,343
(iii) Balances with Scheduled Banks :		
(a) On Current Accounts	2,97,05,589	2,49,16,316
(b) In Fixed Deposit Accounts	6,49,000	9,26,000
	3,18,98,125	2,67,88,995

SCHEDULE J : LOANS AND ADVANCES
(Unsecured, considered good unless otherwise stated)

	Rupees	Rupees	Previous Year Rupees
(i) Advance recoverable in cash or in kind or for value to be received (including loan and amounts due from subsidiary company Rs. 1,57,13,346)	8,89,06,154		7,29,91,504
Less : Provision for Doubtful Advances	62,64,702		54,01,447
	8,26,41,452		6,75,90,057
(ii) Balance with Customs, Excise and Port Trust authorities	12,38,380		34,21,029
(iii) Advance payment of Income-tax (including at source deduction Rs. 1,39,800); (Previous Year : Rs. 7,34,794)	5,48,60,609		4,51,71,728
		13,87,40,441	11,61,82,814

SCHEDULE K : CURRENT LIABILITIES

	Rupees	Previous Year Rupees
(i) Acceptances	8,56,87,846	6,04,79,527
(ii) Sundry Creditors	31,94,08,819	44,39,28,457
(iii) Advances from Customers	4,87,78,850	12,56,71,792
(iv) Interest accrued but not due	1,24,76,262	90,17,911
(v) Due to Subsidiary Company	3,92,600	—
	46,47,42,177	63,90,95,687

SCHEDULE L : PROVISIONS

	Rupees	Previous Year Rupees
(i) Provision for Taxation	4,96,70,165	4,46,70,267
(ii) Proposed Dividend	2,20,00,000	1,65,00,000
(iii) Corporate Dividend Tax	22,00,000	16,50,000
(iv) Provision for Employees Separation Compensation	3,21,76,598	—
	10,60,46,763	6,28,20,267

Schedules forming part of the Profit and Loss Account

SCHEDULE 1 : SALE OF PRODUCTS AND SERVICES

	Rupees	Rupees	Previous Year Rupees
(a) Sale of Products (inclusive of Excise Duty)	218,52,50,805		205,38,77,074
(b) Other Sale and Services	3,91,85,965		3,92,40,990
	222,44,36,770		209,31,18,064

SCHEDULE 2 : OTHER INCOME

	Rupees	Rupees	Previous Year Rupees
(a) Rent	7,70,308		7,67,300
(b) Interest on Advances, Deposits and Customers' balances (Gross); (tax deducted at source Rs. Nil : Previous Year : Rs. Nil)	44,61,392		4,11,739
(c) Income from Investments (Gross); (tax deducted at source Rs. 32,000 : Previous Year : Rs. 4,877)			
(i) Trade Investments	5,61,000		4,67,500
(ii) Other Investments	5,64,111		3,42,154
		11,25,111	8,09,654
(d) Profit on Sale of Investments	1,16,98,361		—
(e) Profit on Sale/discard of Assets (Net)	10,16,625		2,05,432
	1,90,89,787		21,94,125

SCHEDULE 3 : MANUFACTURING AND OTHER EXPENSES

	Rupees	Rupees	Previous Year Rupees
1. Raw Materials Consumed			
Stock on 1st April, 1997	7,22,12,376		13,02,07,466
Add : Purchases	106,88,23,254		81,55,17,309
	114,08,35,630		94,57,24,775
Less : Stock on 31st March, 1998	17,49,29,969		7,22,12,376
		96,59,05,661	87,35,12,399
2. Payments to and Provisions for Employees			
(a) Wages, Salaries and Bonus	17,67,76,525		16,17,85,082
(b) Retirement Gratuity	84,92,400		53,53,500
(c) Company's contribution to Employees' Group Insurance Scheme	9,82,926		7,20,351

SCHEDULE 3 : MANUFACTURING AND OTHER EXPENSES (contd.)

	Rupees	Rupees	Previous Year Rupees
(d) Company's contribution to Provident Fund, Superannuation Fund and Family Pension Fund	1,82,65,537		1,49,10,662
(e) Workmen and Staff Welfare Expenses	1,89,53,783		1,79,50,189
		22,34,71,181	20,07,19,784
3. Operation and Other Expenses			
(a) Stores and Spare Parts consumed	3,12,40,305		2,67,95,087
(b) Fuels consumed	12,90,64,254		11,64,94,442
(c) Repairs to Building	97,23,410		50,67,281
(d) Repairs to Machinery	7,96,41,071		7,60,69,982
(e) Purchase of Power	7,89,59,487		7,34,64,997
(f) Rent	64,52,949		48,84,039
(g) Rates and Taxes	2,16,64,439		1,05,12,423
(h) Insurance	22,15,191		23,00,063
(i) Commission and Royalty	2,56,75,616		1,63,62,803
(j) Provision for Doubtful Debts and Advances	67,20,874		10,57,483
(k) Other Expenses (including Travelling Expenses Rs. 1,62,21,749; Previous Year : Rs. 1,58,08,731)	9,04,46,210		8,71,34,712
		48,18,03,808	42,02,43,292
4. Excise Duty		29,27,61,733	29,71,25,061
5. Freight and Handling Charges		8,20,19,952	6,37,50,577
6. Directors' Fees		1,68,000	1,90,000
7. (Increase)/Decrease in Stock of Finished and Semi-finished products			
(a) Closing Stock	18,07,35,521		15,00,96,012
(b) Opening Stock	15,00,96,012		19,05,59,323
		(3,06,39,509)	4,04,63,311
		199,54,90,824	189,60,04,424

TATA REFRACTORIES LIMITED**Schedules forming part of the Profit and Loss Account (contd.)****NOTES ON SCHEDULE 3 :****MANUFACTURING AND OTHER EXPENSES**

Item No. 3 (a) — Stores and Spare parts consumed Rs. 3,12,40,305 — This amount is exclusive of Rs. 3,39,70,416 (*Previous Year : Rs. 3,62,53,744*) charged to repairs to buildings and repairs to machinery and other accounts.

Item No. 3 (c) — Repairs to Buildings Rs. 97,23,410 — This amount is exclusive of Rs. 4,76,973 (*Previous Year : Rs. 2,69,537*) charged to Wages, Salaries and other revenue accounts.

Item No. 3 (d) — Repairs to Machinery Rs. 7,96,41,071 — This amount is exclusive of Rs. 2,65,82,702 (*Previous Year : Rs. 2,98,47,727*) charged to Wages, Salaries and other revenue accounts.

Item No. 3 (k) — Includes fees and out-of-pocket expenses paid to Auditors as follows :

	Rupees	Previous Year Rupees
(i) Services as Auditors (including for audit in terms of Section 44AB of the Income-tax Act, 1961 Rs. 40,000 (<i>Previous Year : Rs. 25,000</i>))	2,10,000	1,50,000
(ii) Travelling and out-of-pocket expenses	29,091	69,127

SCHEDULE 4 : INTEREST

	Rupees	Previous Year Rupees
(a) Fixed Loans	5,50,02,460	5,02,27,523
(b) Other Loans	5,70,19,591	3,69,67,554
	11,20,22,051	8,71,95,077

Investments :

Investments, being long term investments, are valued at cost.

Inventories :

Raw materials, Semi-finished products and Finished products are valued at lower of cost or net realisable value.

Stores & Spare parts are valued at cost.

Interest on Term Loan :

Interest attributable to period of construction in respect of major specific capital projects is capitalised to the cost of the project.

2. Contingent liability in respect of Sales tax demanded but contended as not due and, therefore, not provided in accounts : Rs. 1,246.73 lakhs (*31-3-1997: Rs. 1,229.12 lakhs*).

Other claims not acknowledged as debts : Rs. 62.54 lakhs (*31-3-1997: Rs. 60.87 lakhs*).

3. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 11.77 lakhs (*31-3-1997: Rs. 194.51 lakhs*).

4. Consequent on the re-alignment at the year end rates of foreign currency liabilities for acquisition of fixed assets the resultant rupee liability has decreased by Rs. 3.41 lakhs (*31-3-1997 : decrease Rs. 11.48 lakhs*) (Net). This decrease has been adjusted to the cost of fixed assets.

5. The value of closing stock of Finished products does not include excise duty of Rs. 262 lakhs (*Previous Year : Rs. 185 lakhs*) as estimated. As per consistent accounting practice of the company, duty is considered at the time of clearance of materials from works. The value of Finished products at Godown is inclusive of Excise Duty paid. This accounting treatment has no impact on profits.

6. Raw material consumption and sale of products includes exchange difference relating to purchase/sales, Rs. 96.64 lakhs and Rs. 69.11 lakhs respectively.

7. Interest on advances, deposits and customers balances include Rs. 30.14 lakhs relating to earlier periods, but which crystallised as income during the year.

8. Remuneration to Vice Chairman & Managing Director (retired on 11.1.98) and Joint Managing Director (Managing Director from 12.1.98) :

	Rupees	Previous Year Rupees
Salaries	7,37,710	4,24,000
Company's contribution to Provident and Superannuation Funds	1,58,453	1,06,000
Perquisites*	9,28,645	4,74,898
* Excludes contribution to Gratuity Fund as separate figures for above persons are not available, the company having contributed on a group basis.		
Computation of Net Profit in accordance with Section 309 (5) of the Companies Act, 1956:		
Profit after taxes, as per Profit and Loss Account	4,40,71,206	2,25,61,865
Add : (a) Provision for Depreciation	8,22,44,088	8,16,58,956
(b) Taxes	51,85,000	34,00,000
(c) Managerial remuneration and Directors' fees	19,92,808	11,94,898
(d) (Profit)/Loss on Assets sold or discarded	(10,16,625)	(2,05,432)
(e) Profit on Assets sold under Section 350 of the Companies Act	11,05,715	1,83,663
	13,35,82,192	10,87,93,950
Deduct : (a) Depreciation under Section 350 of the Companies Act	10,52,59,423	12,88,05,555
(b) Loss as per Section 309(5) of the Companies Act, 1956 for the year 1996-97	8,31,66,393	6,31,54,788
	(5,48,43,624)	(8,31,66,393)
Commission on Profit :		
Managerial Remuneration for the year was paid/provided as per Section II of Part II of Schedule XIII of the Companies Act, 1956 as amended by Notification No.: GSR No. 48 (E), dated 1.2.1994.		

Notes on the Balance Sheet and Profit and Loss Account**SCHEDULE 5 :****1. Accounting Policies :**

Accounts are maintained under the mercantile system of accounting, adopting historical cost convention. The significant accounting policies are :

Sales :

Sales are inclusive of excise duty. Bonus claims, linked to operating efficiency of products are recognised upon crystallisation.

Claims :

Claims on underwriters/carriers towards losses/damages are accounted when there is certainty that the claim is realisable.

Research and Development :

Revenue expenditure on research and development (R&D) is charged as expenditure of the year in which it is incurred. Capital expenditure on R&D is treated as an addition to fixed assets.

Retirement Benefits :

Contribution to Provident Fund and Superannuation Fund (applicable to Officers only) is made at a predetermined rate to the Provident Fund Trust/Superannuation Fund Trust and charged to the Profit and Loss Account on an annual basis. Provision for gratuity liability is made on the basis of premium actuarially assessed and intimated by the Life Insurance Corporation of India in terms of a policy taken with them.

Provision for accrued leave salary due to employees is computed and made with reference to unavailed leave of the employees at the year end.

Employee Separation Scheme :

Compensation to employees who have opted for retirement under Friendly Departure Scheme of the company is amortised equally over sixty months.

Fixed Assets :

Fixed Assets are stated at cost including taxes, duties, freight and other incidental expenses related to acquisition and installation. Depreciation is provided by the straight line method at rates and in the manner stipulated in Schedule XIV to the Companies Act, 1956.

Foreign Currency :

Transactions in foreign currency are accounted at the prevailing rate on the transaction date. Year end balances of liabilities for fixed assets acquisition are restated at the closing rate and the resultant difference adjusted against cost of fixed assets. Other year end balances in foreign currency are also restated at the closing rate and the resultant difference is carried to Profit & Loss Account.

Notes on the Balance Sheet and Profit and Loss Account (contd.)

9. Detailed quantitative information in respect of goods manufactured (Refractories) during the year :

(a) Licensed Capacity	Tonnes N.A.	Previous Year Tonnes N.A.
(b) Installed Capacity per annum (as certified by the Management and accepted by the Auditors)	1,23,000	1,23,000
(c) Actual Production	93,646	71,269

10. Turnover, Opening and Closing Stock:

	Tonnes	Rupees	Previous Year Tonnes	Rupees
(i) Turnover exclusive of internal consumption : 3351 tonnes (Previous Year : 3,020 tonnes)	78,743	218,52,50,805	69,002	205,38,77,074
(ii) Opening Stock (Finished Goods)	6,327	Not Applicable	8,175	Not Applicable
(iii) Closing Stock (Finished Goods)	7,525	Not Applicable	6,327	Not Applicable

11. Raw Materials Consumed :

(i) Magnesite	58,042	50,17,60,047	44,108	49,50,51,230
(ii) Chrome Ore	5,820	2,75,39,477	3,550	1,78,68,250
(iii) Fireclay	7,053	45,69,595	2,214	12,14,006
(iv) Quartzite	15,483	1,62,06,250	19,473	1,11,59,528
(v) Fused Alumina	3,785	9,04,75,835	2,640	6,22,96,964
(vi) Raw Dolomite	42,270	4,41,02,763	40,969	4,23,68,563
(vii) Others		28,12,51,674		24,35,53,858
		<u>96,59,05,661</u>		<u>87,35,12,399</u>

12. Value of Imports (CIF Value) :

	Rupees	Previous Year Rupees
(i) Raw Materials	32,96,05,416	29,89,96,026
(ii) Components and Spares	1,48,91,170	1,66,52,348
(iii) Capital Goods	—	1,344

13. Value of consumption of imported and indigenous Raw Materials and Spares :

	Rupees	Percent	Previous Year Rupees	Percent
(i) Imported Raw Materials, Components and Spares	49,67,54,610	44	54,32,10,455	50
(ii) Indigenous Raw Materials, Components and Spares	62,94,55,610	56	53,46,27,213	50
	<u>112,62,10,220</u>	<u>100</u>	<u>107,78,37,668</u>	<u>100</u>

14. Earnings in Foreign Exchange —
Export of Finished Products (FOB Value)

	Rupees	Previous Year Rupees
	17,99,43,316	13,38,59,550

15. Expenditure in Foreign Currency

	Rupees	Previous Year Rupees
	3,25,62,107	1,59,73,869

16. Figures in respect of the previous year have been recast to correspond to grouping of this year.

As per our report annexed
For N. M. RAJJI & CO.
Chartered Accountants
VIJAY THACKER
Partner

For and on behalf of the Board
J. J. IRANI
C. D. KAMATH
Chairman
Managing Director

C. S. DAS
Dy. General Manager (Finance)
& Secretary

Mumbai, 16th May, 1998.

Jamshedpur, 8th May, 1998.

Balance Sheet Abstract on Company's General Business Profile

(i) Registration Details :		
Registration No.	:	349/8
State Code	:	15
Balance Sheet Date	:	31st March, 1998
(ii) Capital raised during the year :		Rupees in Thousand
Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL
(iii) Position of Mobilisation and Development of Funds :		Rupees in Thousand
Total Liabilities	:	19,52,643
Total Assets	:	19,52,643
Sources of Funds		
Paid-up Capital	:	1,10,000
Reserves & Surplus	:	4,07,860
Secured Loans	:	5,93,092
Unsecured Loans	:	2,70,902
Application of Funds		
Net Fixed Assets	:	7,95,554
Investments	:	23,848
Net Current Assets	:	5,20,338
Misc. Expenditure	:	42,114
Accumulated Losses	:	—
(iv) Performance of Company :		
Turnover	:	22,43,508
Total Expenditure	:	21,94,250
Profit before Tax	:	49,256
Profit after Tax	:	44,071
Earning Per Share in Rs.	:	4.01
Dividend Rate %	:	20%
(v) Generic Names of Three Principal Products of Company :		
(a) Item Code No.	:	69021004
Product Description	:	Bricks & Shapes, Magnesite Carbon
(b) Item Code No.	:	69039004
Product Description	:	Monolithics/Castables (Fireclay, Basic, Silica, High Alumina, Insulating)
(c) Item Code No.	:	69022002
Product Description	:	Bricks & Shapes, High Alumina

For N. M. RAJJI & CO.
Chartered Accountants

VIJAY THACKER
Partner

C. S. DAS
Dy. General Manager (Finance)
& Secretary

Mumbai, 16th May, 1998.

For and on behalf of the Board
J. J. IRANI
C. D. KAMATH

Chairman
Managing Director

Jamshedpur, 8th May, 1998.

Section 212

Statement Pursuant to Section 212 of the Companies Act, 1956, related to Subsidiary Companies

1. Name of the subsidiary	:	Ipitata Refractories Limited.
2. Financial year of the subsidiary ended on	:	
3. Shares of the subsidiary held by the Company on the above date	:	31st March, 1998
(a) Number and face value	:	12,24,000 Equity Shares of Rs. 10 each
(b) Extent of holding	:	51.83
4. Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary so far as they concern members of the Company	:	
(a) dealt with in the accounts of the Company for the year ended 31st March, 1998	:	Nil
(b) not dealt with in the accounts of the Company for the year ended 31st March, 1998 (Rs. lakhs)	:	10.53
5. Net aggregate amount of profits/(losses) for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the Company	:	
(a) dealt with in the accounts of the Company for the year ended 31st March, 1998 (Rs. lakhs)	:	Nil
(b) not dealt with in the accounts of the Company for the year ended 31st March, 1998 (Rs. lakhs)	:	Nil

* Ipitata Refractories Ltd. became subsidiary of Tata Refractories Ltd. w.e.f. 17.10.97

For and on behalf of the Board
C. S. DAS
Dy. General Manager (Finance)
& Secretary

J. J. IRANI
C. D. KAMATH
Chairman
Managing Director

Jamshedpur, 8th May, 1998.

THE TATA PIGMENTS LIMITED

(A Subsidiary Company)

Directors' Report

To the Members,

We have pleasure in submitting our report on the operational activities of the Company and the statements of accounts for the year ended 31st March, 1998.

1. FINANCIAL RESULTS

The financial highlights for the period under review are as follows :

	1997-98	(Rs. in Lakhs) Previous Year 1996-97
(a) Gross Profit	281.55	193.60
(b) Less : Depreciation	28.04	23.95
Interest	12.06	13.38
(c) Profit before Taxes	241.45	156.27
(d) Provision for Taxation	81.30	68.41
(e) Profit after Taxation	160.15	87.86
(f) Balance brought forward from previous year	178.44	114.37
(g) Profit available for appropriation	338.59	202.23
(h) Appropriations :		
(i) Proposed Dividend including Tax on dividends	16.50	15.00
(ii) General Reserve	150.00	8.79
(iii) Balance to be carried forward	172.09	178.44

2. DIVIDEND

We recommend the payment of dividend of 20% on the paid-up Share Capital for the year ended 31st March, 1998.

3. TRANSFER TO GENERAL RESERVE

We propose to transfer a sum of Rs. 150 lakhs to General Reserve from the profits for the year ended 31st March, 1998.

4. OPERATIONS

- The Company has achieved a record production of 4352 M.T. during the year under review as against 3,370 M.T. in the previous year resulting in an increase of 29.14%.
- The turnover has increased to Rs. 16.04 crores during the current year as against Rs. 13.19 crores which is higher by 21.61%.
- The profit before tax amounted to Rs. 241.45 lakhs during the current year as against Rs. 156.27 lakhs which is higher by 54.49%.
- The profit after tax amounted to Rs. 160.15 lakhs during the year under review as against Rs. 87.86 lakhs during the previous year which means an increase of 82.29%.

5. MARKET CONDITION

Despite recessionary trend in the market your Company was able to achieve record sale this year. However, since January '98 your Company also started facing ill effects of general recession of market which is continuing.

6. DIVERSIFICATION

Your Company is going to introduce CEMSET which is used as primer before applying CEMPLUS, and the Company is also examining the possibility of manufacturing Emulsion paints.

7. EXPORT

In the field of export your Company received a very prestigious order worth Rs. 32.60 lakhs from U.K. in the financial year 1997-98, and the same has already been successfully executed. Your Company is also trying hard to win further orders from U.K. despite stiff competition from world class Pigment manufacturers. The possibility of exporting our products to neighbouring countries and Middle East is also being explored.

8. DIRECTORS

- Dr. O.N. Mohanty retires by rotation and is eligible for re-appointment.
- Mr. B. Muthuraman joined your Board as Additional Director with effect from 20th December, 1997 and will hold that office till the conclusion of Annual General Meeting. He is eligible for re-appointment.

9. INDUSTRIAL RELATIONS

Industrial relations continued to be very cordial during the year under review.

10. HEALTH AND SAFETY OF EMPLOYEES

Health and safety of employees have been given adequate consideration and is in accordance with the general rules of safety.

11. AUDITORS

The Auditors M/s. S. B. Billimoria & Company, retire at the conclusion of the 39th Annual General Meeting. They have expressed their willingness to continue as Auditors.

12. PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of the Employees) Amendment Rules, 1988, regarding employees is given in Annexure-I.

13. ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION

The required information is furnished in Annexure-II.

14. SOCIAL SERVICES AND COMMUNITY DEVELOPMENT

Your Company has been actively involved in the promotion of social services and community development activities in association with TATA COUNCIL FOR COMMUNITY INITIATIVES. Your Company has undertaken the task of beautification of surroundings and maintains the nearby island in front of the Works main gate. The Company sponsored the maintenance of Peacock Aviary in Zoo run by TATA STEEL ZOOLOGICAL SOCIETY at Jamshedpur on regular basis and has also undertaken a project of running a community based clinic at Bagbera, Jamshedpur. Your Company has incurred an expenditure of Rs. 0.40 lakh on this account.

15. TOTAL QUALITY MANAGEMENT

Towards implementing the JRD QV Approach in The Tata Pigments Limited, the Company is initiating the action towards achieving ISO 9000 during the year 1998-99 besides taking up other activities on Total Quality Management.

16. ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation for the devoted efforts put in by the employees at all levels for the excellent performance of the Company during the year 1997-98.

On behalf of the Board of Directors

N. P. SINHA
Chairman

Jamshedpur, 6th May, 1998.

Annexures to the Directors' Report

Annexure — I

STATEMENT OF PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956

1. Name	Mr. B. P. S. Panwar
2. Designation & Nature of Duty	Managing Director
3. Nature of employment	Contractual
4. Remuneration received	Rs. 8,52,430.00
5. Qualification	B.Sc. (Met. Engg.)
6. Age in years	55
7. Experience in years	34
8. Date of commencement of employment	07.02.1993
9. Particulars of last employer	The Tata Iron & Steel Co. Ltd.
10. Last post & period for which held	Divisional Manager (Sheet Mill) — 7 years.

Note :

Remuneration comprises salary, allowance, monetary value of perquisites and contribution to Provident Fund on the basis of actual valuation.

On behalf of the Board of Directors

N. P. SINHA
Chairman

Jamshedpur, 6th May, 1998.

Annexure — II

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. Conservation of Energy :

- Further improvement in combustion efficiency in roasting as well as drying furnace.
- The reduction in average moisture content of wet cake after the commissioning of Rotary drum filters has resulted in saving of fuel during the drying operation.

B. Technology Absorption :

- The Red Oxide drying furnace of modern design to be commissioned in the current financial year.
- Technology tie-up may also help in saving of energy.

C. Foreign Exchange Earnings and Outgo :

- Activities relating to export; initiatives taken to increase development of new export market for products and export plans — Yes.
- Total foreign exchange earned — Rs. 32.60 lakhs.

D. Research and Development (R&D) :

- Based on the R&D findings, a waste pickle liquor pre-treatment plant was set up and commissioned.
- Instrumentation for better temperature control in rotary calciner for improving the quality of products.
- Waste pickle liquor from Tata Special Steels Limited was evaluated through the laboratory trials for manufacture of synthetic iron oxide.
- Exploration of the possibilities of using waste pickle liquor generated at Tata Ryerson and The Tinplate Company of India Ltd.
- Introduction of two new market grade red oxide, viz. polular 473 & Synthetic Bright Red.
- Zinc dust generated in Tubes Division evaluated for use as Zinc Dust Pigments.
- Oxygen enrichment trials on pilot plant scale carried out to reduce the batch cycle time.

E. Future Plan of Action :

- Technology development through foreign consultant.
- Development of Acrylic emulsion paint as a part of diversification.
- Commercial trial using CAL generated in Coke oven of TISCO for manufacture of synthetic iron oxide.
- Preparation for certification under ISO - 9000.

F. Expenditure on R & D :

(a) Capital	—	Rs. 1,95,233.00
(b) Recurring (revenue)	—	Rs. 3,58,142.00
(c) Total	—	Rs. 5,53,375.00
(d) Total R&D expenditure as % of turnover	—	0.35%

On behalf of the Board of Directors

N. P. SINHA
Chairman

Jamshedpur, 6th May, 1998.

Form A

Annexure to the Auditors' Report
(Referred to in Paragraph 1 of our Report of even date)FORM FOR DISCLOSURE OF PARTICULARS WITH
RESPECT TO CONSERVATION OF ENERGY

	Current Year	Previous Year
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Unit (KWH)	8,39,578	11,47,095
Total Amount (in Rs.)	31,81,288	38,60,042
Rate per Unit (in Rs.)	3.79	3.37
(b) Own Generation		
(i) Through Diesel Generator Unit :	Nil	Nil
Unit per Ltr. of Diesel Oil		
Cost per Unit		
(ii) Through Steam Turbine/Generator Unit :	Nil	Nil
Unit per Ltr. of Fuel Oil/Gas		
Cost per Unit		
2. Coal (Specify quality and where used)		
Quantity (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average Cost		
3. Furnace Oil		
Quantity (K.Ltrs.) L.D.O.	40	23
Total Amount (in Rs.)	3,27,697	1,97,890
Average Rate per K. Ltrs. (in Rs.)	8,192	8,604
4. Other/Internal Generation (please give details)		
Quantity (a) Steam (t)	10,757	11,635
(b) Gas (MKG)	11,950	14,328
Total Cost (in Rs.)	1,15,01,825	1,26,99,218
B. Consumption per unit of production (MT)		
Standards (if any)	Current Year Rupees	Previous Year Rupees
Electricity (Units/Ton)	528	735
Steam (Tonnes)	6.80	7.98
Gaseous Fuel (Nm 3/T)	1,881.30	2,130.15
L.D.O. (Ltrs.)	40	23

On behalf of the Board of Directors
N. P. SINHA
Chairman

Jamshedpur, 6th May, 1998.

Auditors' Report

To the Members of The Tata Pigments Limited

We have audited the attached Balance Sheet of THE TATA PIGMENTS LIMITED as at 31st March, 1998 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto.

We report as follows :

- As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to in paragraph 1 above :
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - the Balance Sheet and the Profit and Loss Account are in agreement with the books of account;
 - in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998 and
 - in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

For S. B. BILLIMORIA & CO.
Chartered AccountantsN. VENKATRAM
Partner

Jamshedpur, 6th May, 1998.

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the Management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- None of the fixed assets have been revalued during the year.
- As explained to us, the stocks of finished goods, stores, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. In the case of materials lying with third parties, certificates confirming stocks have been received in respect of a substantial portion of the stocks held.
- According to the information and explanations given to us, in our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- The discrepancies noticed on verification between the physical stocks and the book records were not material.
- On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.
- The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or from companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
- The Company has not granted any loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 or to companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
- The Company has given loans or advances in the nature of loans only to employees. Repayments of principal amounts are as stipulated and the payment of interest, where applicable, is regular.
- In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery, equipment and other assets and with regard to the sale of goods.
- According to the Register maintained under Section 301 of the Companies Act, 1956, the Company has no transactions during the year with the companies, firms or other parties in which the directors are interested.
- As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. The items so determined have been written-off.
- The Company has not accepted deposits from the public.
- As explained to us, the Company has no by-products or process scrap.
- In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- As explained to us, the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company.
- According to the records of the Company, provident fund dues have been regularly deposited during the year with the appropriate authorities. As explained to us, there have been no dues in respect of Employees' State Insurance.
- According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, excise duty and customs duty were outstanding as at 31st March, 1998, for a period of more than six months from the date on which they became payable.
- According to the information and explanations given to us, and the records of the Company examined by us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- The Company is not a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For S. B. BILLIMORIA & CO.
Chartered AccountantsN. VENKATRAM
Partner

Jamshedpur, 6th May, 1998.

THE TATA PIGMENTS LIMITED

Balance Sheet
as at 31st March, 1998

Schedule	Rupees	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
SOURCES OF FUNDS			
1. Shareholders' Funds :			
(a) Share Capital A		75,00,000	75,00,000
(b) Reserves and Surplus B		3,87,73,933	2,44,08,439
		<u>4,62,73,933</u>	<u>3,19,08,439</u>
2. Loan Funds :			
Secured Loans C		77,48,661	84,05,857
TOTAL		<u>5,40,22,594</u>	<u>4,03,14,296</u>
APPLICATION OF FUNDS			
3. Fixed Assets : D			
(a) Gross Block	4,10,22,430		3,25,86,374
(b) Less : Depreciation	<u>1,76,63,216</u>		<u>1,54,72,046</u>
(c) Net Block		2,33,59,214	1,71,14,328
4. Current Assets, Loans and Advances :			
(a) Inventories E	67,46,119		74,17,548
(b) Loose Tools F	60,109		66,787
(c) Sundry Debtors G	3,12,16,984		2,30,83,099
(d) Cash and Bank Balances H	48,40,906		66,29,608
(e) Loans and Advances	<u>1,62,60,191</u>		<u>97,53,949</u>
		5,91,24,309	4,69,50,991
5. Less : Current Liabilities and Provisions :			
(a) Current Liabilities I	1,85,14,333		1,51,26,185
(b) Provisions :			
(i) Provision for Taxation	84,46,596		71,24,838
(ii) Proposed Dividend	<u>15,00,000</u>		<u>15,00,000</u>
		2,84,60,929	2,37,51,023
Net Current Assets		<u>3,06,63,380</u>	<u>2,31,99,968</u>
TOTAL		<u>5,40,22,594</u>	<u>4,03,14,296</u>
Notes L			

Profit and Loss Account
for the year ended 31st March, 1998

Schedule	Rupees	1997-98 Rupees	1996-97 Rupees
INCOME			
1. Sale of Products and Other Income J		16,24,17,117	13,36,23,750
EXPENDITURE			
2. Manufacturing and Other Expenses K		13,41,63,796	11,42,63,497
3. Depreciation		28,04,194	23,95,452
		<u>13,69,67,990</u>	<u>11,66,58,949</u>
4. Interest (includes Rs. 5,47,596 on Fixed Loans; 1996-97 : Rs.7,33,218)		12,05,517	13,37,912
5. Total Expenditure		<u>13,81,73,507</u>	<u>11,79,96,861</u>
		2,42,43,610	1,56,26,889
6. Prior Period Adjustments ..		98,116	—
PROFIT BEFORE TAXES		2,41,45,494	1,56,26,889
7. Taxes		81,30,000	68,41,000
PROFIT AFTER TAXES		1,60,15,494	87,85,889
8. Profit brought forward from previous year		1,78,44,236	1,14,37,347
AMOUNT AVAILABLE FOR APPROPRIATION		3,38,59,730	2,02,23,236
9. Proposed Dividend (Details as per para 2 of Directors' Report)		15,00,000	15,00,000
Add : Tax on Dividends		1,50,000	—
		<u>16,50,000</u>	<u>15,00,000</u>
10. Amount transferred to General Reserve		1,50,00,000	8,79,000
BALANCE CARRIED TO BALANCE SHEET		<u>1,72,09,730</u>	<u>1,78,44,236</u>
11. Notes L			

As per our Report attached

For S. B. BILLIMORIA & CO.
Chartered AccountantsN. VENKATRAM
Partner

Jamshedpur, 6th May, 1998.

For and on behalf of the Board

N. P. SINHA
ChairmanV. NATARAJAN
Company SecretaryB. P. S. PANWAR
Managing Director

Jamshedpur, 6th May, 1998.

As per our Report attached

For S. B. BILLIMORIA & CO.
Chartered AccountantsN. VENKATRAM
Partner

Jamshedpur, 6th May, 1998.

For and on behalf of the Board

N. P. SINHA
ChairmanV. NATARAJAN
Company SecretaryB. P. S. PANWAR
Managing Director

Jamshedpur, 6th May, 1998.

THE TATA PIGMENTS LIMITED

Schedules forming part of the Balance Sheet

SCHEDULE 'A' : SHARE CAPITAL

	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
Authorised		
1,00,000 Equity Shares of Rs. 100 each	1,00,00,000	1,00,00,000
Issued, Subscribed and Paid-up		
75,000 Equity Shares of Rs. 100 each fully paid-up	75,00,000	75,00,000

Notes :

- 75,000 equity shares are held by The Tata Iron & Steel Company Limited.
- Out of the above, 65,000 equity shares were issued as fully paid-up at par on 1st January, 1993 in conversion of the dues of Rs. 65,00,000 by the Company to The Tata Iron & Steel Company Ltd., for supply of materials/ services.

SCHEDULE 'B' : RESERVES AND SURPLUS

	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
(a) Capital Reserve		
Balance as per last Account	17,083	17,083
(b) General Reserve		
Balance as per last Account	49,37,504	40,58,504
Add : Transferred from Profit and Loss Account	1,50,00,000	8,79,000
	1,99,37,504	49,37,504
(c) Investment Allowance Reserve		
Balance as per last Account	—	16,09,816
Less : Transferred to Investment Allowance (Utilised) Reserve	—	16,09,816
	—	—
(d) Investment Allowance (Utilised) Reserve ..	16,09,816	16,09,816
(e) Profit and Loss Account		
Surplus as per Profit and Loss Account	1,72,09,730	1,73,44,236
	3,87,73,830	2,44,08,439

SCHEDULE 'C' : SECURED LOANS

	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
1. Term Loans with Bank		
State Bank of India, Jamshedpur	35,84,234	33,09,441
2. Cash Credit Account with Bank		
State Bank of India, Jamshedpur (Arrangements for Rs. 55,00,000)	41,84,427	50,97,416
	77,68,661	84,05,857

Security :

Term Loan and Cash Credit arrangements with State Bank of India are secured by hypothecation of all tangible movable assets [including raw materials, stock-in-process, finished goods, stores and spare-parts, book debts and movable plant and machinery (both present and future)].

SCHEDULE 'D' : FIXED ASSETS

Fixed Assets	Gross Block (at Cost)			Depreciation			Net Block
	As on 31-3-1997 Rupees	Additions Rupees	Deductions Rupees	As on 31-3-1998 Rupees	For 1997-98 Rupees	As on 31-3-1998 Rupees	As on 31-3-1998 Rupees
1. Buildings	14,05,643 (12,79,470)	1,64,696 (1,26,173)	— (—)	15,70,339 (14,05,643)	33,179 (30,825)	2,74,867 (2,41,687)	12,95,472 (11,63,956)
2. Plant and Machinery	2,50,60,798 (2,31,15,833)	82,95,268 (20,33,069)	7,31,692 (88,104)	3,26,24,374 (2,50,60,798)	20,64,311 (18,19,331)	1,49,11,619 (1,34,02,615)	1,77,12,755 (1,16,58,183)
3. Furniture, Fixtures and Office Equipments	26,22,443 (21,74,847)	8,95,554 (4,79,123)	— (31,527)	35,17,997 (26,22,443)	3,50,646 (2,64,648)	13,12,178 (9,61,531)	22,05,819 (16,60,912)
4. Livestock and Vehicles	34,97,490 (24,69,996)	— (10,27,494)	1,87,770 (—)	33,09,720 (34,97,490)	3,56,058 (2,80,648)	11,84,552 (8,66,213)	21,45,168 (26,31,277)
	3,25,86,374 (2,90,40,146)	93,55,518 (36,65,859)	9,19,462 (1,19,631)	4,10,22,430 (3,25,86,374)	28,04,194 (23,95,452)	1,76,63,216 (1,54,72,048)	2,33,59,214 (1,71,14,328)

- Notes : 1. The buildings, plant and machinery are situated on land leased from The Tata Iron and Steel Co. Limited. The legal formalities relating to the lease are yet to be completed.
2. Figures in brackets are for the previous year.

SCHEDULE 'E' : INVENTORIES

	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
As per inventories valued and certified by the Management		
(a) Stock-in-trade (at lower of cost or realisable value)	15,84,352	23,58,659
Add : Excise Duty on Closing Stock of finished products not assessed to duty	1,12,232	2,02,053
	16,96,584	25,60,712
(b) Raw Materials (at cost)	9,84,893	11,42,990
(c) Stores and Spare Parts (at cost : less written off for obsolescence)	40,64,642	37,13,846
	67,46,119	74,17,548

SCHEDULE 'F' : SUNDRY DEBTORS

	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
(a) Over six months old	22,58,777	16,29,443
(b) Others	2,96,35,068	2,19,46,777
	3,18,93,843	2,35,76,220
Less : Provision for doubtful debts	6,76,859	4,93,121
	3,12,16,984	2,30,83,099
Secured — Considered good	27,15,000	21,75,000
Unsecured — Considered good	2,85,01,984	2,09,08,099
Unsecured — Considered doubtful	6,76,859	4,93,121
	3,18,93,843	2,35,76,220

SCHEDULE 'G' : CASH & BANK BALANCES

	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
(a) Cash in hand (including cheques/demand draft Rs. 6,36,222— 31.03.1997: Rs. 12,56,587)	6,49,803	12,84,944
(b) With Scheduled Banks :		
On Current Accounts	41,91,103	22,64,664
On Fixed Deposit	—	31,00,000
	48,40,906	66,29,608

THE TATA PIGMENTS LIMITED

Schedules forming part of the Balance Sheet (Contd.)

SCHEDULE 'H' : LOANS AND ADVANCES

	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
(a) Advance payment of income tax	81,62,657	66,00,185
(b) Other advances	28,53,354	32,88,191
(c) Interest accrued on deposits with banks and loans to employees	4,00,270	21,663
(d) Inter-corporate deposits	50,00,000	—
	1,64,16,281	99,10,039
Less : Provision for doubtful advances	1,56,090	1,56,090
	1,62,60,191	97,53,949
Secured — Considered good	2,26,584	1,96,306
Unsecured — Considered good	1,60,33,607	95,57,643
Unsecured — Considered doubtful	1,56,090	1,56,090
	1,64,16,281	99,10,039

SCHEDULE 'I' : CURRENT LIABILITIES

	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
(a) Sundry Creditors	7,17,591	6,67,211
(i) The Tata Iron & Steel Company Ltd.	42,82,000	30,75,000
(ii) Security deposits from customers	1,33,36,635	1,11,02,288
(iii) Others	1,78,107	2,81,686
(b) Advance Payments	1,85,14,333	1,51,26,185

Schedules forming part of the Profit and Loss Account

SCHEDULE 'J' : SALE OF PRODUCTS AND OTHER INCOME

	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
1. Sale of Products	16,03,96,083	13,18,62,863
2. Other Income :		
(a) Transportation charges recoverable	1,52,032	1,86,056
(b) Service charges for operating Lime Neutralisation Plant	9,02,520	10,18,672
(c) Profit/Loss on sale of fixed assets (net) ..	—	3,94,507
(d) Other Income	3,09,100	86,348
	13,63,652	16,85,583
3. Interest :-		
(i) On Fixed Deposit with banks	1,99,853	42,850
(ii) On Inter-corporate deposits	3,80,479	—
(iii) On loans to Employees	13,514	6,554
(iv) Interest received on delayed payments ..	63,536	—
(v) Interest received on advance payment of taxes	—	25,900
	6,57,382	75,304
	16,24,17,117	13,36,23,750

SCHEDULE 'K' : MANUFACTURING AND OTHER EXPENSES

	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
1. Raw Materials Consumed	3,80,64,915	2,60,89,334
2. Payments to and Provision for Employees :		
(a) Wages and Salaries including Bonus	1,61,46,608	1,44,54,620
(b) Leave Salaries	17,42,950	12,38,963
(c) Staff Welfare Expenses	16,10,789	11,01,130
(d) Company's contribution to Provident and Other Funds	15,85,842	11,74,757
(e) Company's contribution to Gratuity Fund ..	7,30,560	7,35,511
	2,18,15,859	1,87,05,981
3. Operation and Other Expenses :		
(a) Stores & Spare Parts consumed	95,94,618	79,20,717
(b) Repairs to Buildings	6,49,241	5,51,449
(c) Repairs to Machinery	51,30,288	46,88,240
(d) Power & fuel	1,50,10,810	1,67,57,150
(e) Water	6,96,678	7,82,772
(f) Drying Charges	25,61,892	25,93,937
(g) Rent	4,96,411	1,30,192
(h) Machinery hire Charges	1,14,000	1,14,000
(i) Rates & Taxes	8,12,260	10,04,083
(j) Insurance	2,52,273	2,20,241
(k) Travelling Expenses	9,49,800	13,88,966
(l) Advertisements	4,84,423	5,43,275
(m) Commission to Selling Agents	12,01,107	8,72,885
(n) Loss on sale of Fixed Assets	2,16,438	—
(o) Bad Debts written off	1,27,726	—
(p) Provision for Doubtful Debts	1,53,738	—
(q) Other Expenses	53,38,346	41,38,417
	4,38,00,049	4,17,36,324
4. Cash Discount	17,56,163	16,70,104
5. Excise Duty	2,44,37,002	2,23,67,793
6. Freight & Handling Charges	35,15,501	24,29,802
	13,33,89,489	11,29,99,338
7. Decrease/(increase) in stock of finished & semi-finished products added/(deducted) :		
(a) Closing Stock	15,84,352	23,58,659
(b) Opening Stock	23,58,659	36,22,818
	7,74,307	12,64,159
	13,41,63,796	11,42,63,497

Schedules forming part of the Balance Sheet and Profit and Loss Account

SCHEDULE 'L' : NOTES TO THE ACCOUNTS

A. Notes on the Balance Sheet and Profit & Loss Account

	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
1. Contingent liabilities not provided for :		
(a) Tax involved in pending income tax appeals	2,49,019	2,49,019
(b) Sales Tax demands against which appeals are pending	3,81,849	4,41,190
(c) Excise demands	1,67,345	1,67,345
(d) Other amounts for which the company is contingently liable	4,39,383	4,39,383
	12,37,596	12,96,937
2. Estimated amount of contracts remaining to be executed on capital account and not provided for	30,500	10,36,000
3. Item 3(a) — Stores & Spare Parts consumed excludes amounts charged to other revenue accounts	38,81,639	35,52,095
4. Item 3(c) — Other Expenses includes :		
(a) Auditors' remuneration —		
(i) For Services as Auditors	50,000	50,000
(ii) For Tax Audit	12,500	9,000
(iii) For other services	—	—
(iv) For Travelling and out-of-pocket Expenses	4,618	9,482
(b) Directors' Fees	34,000	11,000
(c) Contribution to the Electoral Trust Fund formed by Tata Sons Limited Rs.1,00,000 (1996-97 : Rs. Nil)		
5. Revenue expenses on Research and Development amounting to Rs.3,56,142 (including Rs. 10,677 on account of depreciation) has been charged to the Profit and Loss Account (1996-97 : Rs.2,66,409; including depreciation of Rs. 7,757).		
6. Managerial Remuneration		
(a) The accounts include remuneration to the Managing Director	8,52,430	7,22,240
(b) Remuneration as disclosed against item (a) above, is inclusive of :-		
(i) Estimated expenditure on perquisites	1,87,630	1,76,450
(ii) Commission	3,00,000	2,07,000
(iii) Gratuity	19,800	21,390
(iv) Superannuation Fund contribution ..	45,000	41,000
(c) The Board of Directors has approved the reappointment of the Managing Director effective 18th March, 1998. The appointment and terms of appointment are subject to the approval of the Shareholders.		
7. Computation of Net Profit in accordance with Section 309(5) of the Companies Act, 1956		
(a) Profit before taxes as per Profit & Loss Account	2,41,45,494	1,56,26,869
(b) Add :		
(i) Managerial Remuneration	8,52,430	7,22,240
(ii) Depreciation as per books	28,04,194	23,95,452
(iii) Directors' Fees	34,000	11,000
(iv) Provision for Doubtful Debts	1,83,738	—
(v) Loss on Fixed Assets discarded/sold as per books	2,16,438	—
	40,90,800	31,28,692
	2,82,36,294	1,87,55,561
(c) Less :		
(i) Depreciation as per Section 350 of the Companies Act, 1956	36,90,806	34,97,166
(ii) Capital profit on sale of fixed assets	—	4,03,388
(iii) Loss on Fixed Assets discarded/sold as per Section 350 of the Companies Act, 1956	50,612	—
(iv) Bad debts written off	—	3,31,567
	37,41,418	42,32,121
Net Profit as per Section 309(5)	2,44,94,876	1,45,23,460
(d) Commission to Managing Director	3,00,000	2,07,000

8. Information regarding Opening Stock, Turnover and Closing Stock :

	1997-98		1996-97	
	Quantity (MT)	Value (Rs.)	Quantity (MT)	Value (Rs.)
(a) OPENING STOCK :				
Oxides of Iron	29	7,24,585	58	15,59,575
Ferrous Sulphate	—	—	—	—
Dry Cement Paint	98	16,34,074	145	20,63,243
	127	23,58,659	203	36,22,818
(b) TURNOVER :				
Oxides of Iron	2,858	13,13,69,973	2,553	11,56,36,008
Ferrous Sulphate	1,528	2,90,28,110	880	1,62,26,855
Dry Cement Paint	4,386	16,03,96,083	3,433	13,18,62,863
(c) CLOSING STOCK :				
Oxides of Iron	17	4,74,374	29	7,24,585
Ferrous Sulphate	—	—	—	—
Dry Cement Paint	76	11,09,978	98	16,34,074
	93	15,84,352	127	23,58,659

Note : Turnover is net of exchange difference amounting to Rs. 14,584.

Schedules forming part of the Balance Sheet and Profit and Loss Account (Contd.)

SCHEDULE 'L' : NOTES TO THE ACCOUNTS (Contd.)

9. Consumption of Raw Materials :

	1997-98 Rupees	1996-97 Rupees
Opening Stock	11,42,990	12,02,229
Purchase during the year	3,79,05,818	2,60,30,095
Less : Closing Stock	3,90,49,808	2,72,32,324
Consumption during the year (See details below)	9,84,893	11,42,990
	3,80,64,915	2,60,89,334

	1997-98		1996-97	
	Quantity (MT)	Value (Rs.)	Quantity (MT)	Value (Rs.)
Hepta	345	7,03,753	183	3,05,614
Waste Pickle Liquor (acquired free and hence valued at Rs. Nil)	6,018	Nil	6,630	Nil
Caustic Soda	340	31,43,760	204	34,07,386
M.S. Scrap	974	63,94,956	954	64,18,420
Carbon Black	124	23,10,484	109	20,38,123
Synthetic Red Oxide	425	1,11,34,099	225	48,85,912
Colouring Pigments for Flooring Colours	3	8,39,232	3	8,50,976
Extenders for Flooring Colours	661	21,10,836	598	18,59,379
Iron Oxide Cinder	41	33,458	24	16,953
Iron Ore	108	1,79,576	112	1,35,453
White Cement	964	60,51,573	548	33,51,136
Hydrated Lime	156	6,14,390	92	3,43,308
Calcium Stearate & Aluminium Stearate	15	9,02,988	8	4,76,126
Calcium Chloride	52	5,30,818	30	3,25,410
Titanium Dioxide	12	13,32,584	6	7,57,575
2-Ethyle-Hexanol	4	2,08,075	2	1,31,607
Colouring Pigments for Dry Cement Paint	1	4,15,834	0.62	1,92,853
Extenders for Dry Cement Paint ..	345	11,58,489	203	5,93,103
		3,80,64,915		2,60,89,334

10. Quantitative Information in regard to licensed and installed capacity and actual production of goods manufactured during the year :

	Unit of Quantity	Licensed Capacity	Installed** Capacity	Actual*** Production
Ferrous Sulphate	MT	5,700 (5,700)	1,000 (1,000)	— (—)
Oxides of Iron	MT	N.A.* (N.A.)	1,800 (1,800)	2,846 (2,525)
Dry Cement Paint	MT	2,400 (2,400)	2,400 (2,400)	1,506 (645)

* The manufacture of Oxides of Iron is not covered by the provisions of the Industries (Development Regulation) Act, 1951.

** This is on triple shift basis and is as certified by the Sr. Works Manager and relied on by the Auditors.

*** Including conversion by third parties into finished goods for sale.
Note : Figures in brackets pertain to the previous year.

11. C.I.F. Value of Imports :

	1997-98 Rupees	1996-97 Rupees
Raw Materials	Nil	Nil
Components & Spare Parts	Nil	Nil
Capital Goods	Nil	Nil

12. Expenditure in Foreign Currency

49,329 2,62,316

13. Value of imported and indigenous raw materials, stores, spares and components consumed :

	Raw Materials		Stores, Spares & Components	
	%	Rupees	%	Rupees
Imported	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)
Indigenous	100	3,80,64,915	100	1,34,76,257
	(100)	(2,80,89,334)	(100)	(1,14,72,812)

14. Earnings in foreign exchange

	1997-98 Rupees	1996-97 Rupees
	32,59,856	Nil

15. (i) Remittance in foreign currency on account of dividends

Nil Nil

(ii) Number of Non-Resident Shareholders

Nil Nil

B. Significant Accounting Policies

1. Sales :

Sales comprises of sale of goods, net of trade discount and includes excise duty. Sales tax recovered is excluded.

2. Research and Development :

Revenue expenditure on research and development is charged to the profit and loss account of the year in which it is incurred. Capital expenditure on research and development is included in fixed assets.

3. Gratuity :

Provision for gratuity to the employees is made on the basis of actuarial valuation.

4. Leave Salary :

The money value of unutilised leave due to employees in terms of their service conditions is carried forward and charged to the Profit and Loss account in the year in which it is earned.

5. Fixed Assets :

All fixed assets are valued at cost. The cost of fixed assets comprises its purchase price and all attributable costs of bringing the asset to its working condition for the intended use and includes financial costs relating to borrowed funds attributable to construction or acquisition upto the date the asset is put to use.

6. Depreciation :

All assets are depreciated on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956.

Depreciation on additions/deductions is computed on pro-rata basis.

7. Inventories :

Finished products are valued at lower of weighted average cost or realisable value. Cost comprises all direct and indirect costs other than interest, corporate expenses and selling and distribution overheads.

Raw Materials are valued at cost computed on FIFO (First In First out) basis. Sales tax and freight paid on purchased raw materials are charged off and not included in the value of inventory.

Stores and spare parts are valued at cost computed on FIFO basis. Sales tax and freight on purchased items are charged off and not included in the value of inventory. The valuation is net of amounts written off for obsolescence.

8. Loose Tools :

Loose tools are valued at cost and depreciated @ 10% per annum on written down value.

For and on behalf of the Board

V. NATARAJAN
Company Secretary

B. P. S. PANWAR
Managing Director

N. P. SINHA
Chairman

Jamshedpur, 6th May, 1998.

THE TATA PIGMENTS LIMITED

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

					1	8	3	6
--	--	--	--	--	---	---	---	---

 Balance Sheet Date

3	1
---	---

0	3
---	---

9	8
---	---

 Date Month Year

State Code

0	3
---	---

 (Refer Code)

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

				N	I	L			
--	--	--	--	---	---	---	--	--	--

 Bonus Issue

				N	I	L			
--	--	--	--	---	---	---	--	--	--

Rights Issue

				N	I	L			
--	--	--	--	---	---	---	--	--	--

 Private Placement

				N	I	L			
--	--	--	--	---	---	---	--	--	--

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Sources of Funds
 Total Liabilities

0	0	0	0	0	5	4	0	2	3
---	---	---	---	---	---	---	---	---	---

 Paid-up Capital

0	0	0	0	0	0	7	5	0	0
---	---	---	---	---	---	---	---	---	---

 Secured Loans

0	0	0	0	0	0	7	7	4	9
---	---	---	---	---	---	---	---	---	---

 Application of Funds
 Net Fixed Assets

0	0	0	0	0	2	3	3	5	9
---	---	---	---	---	---	---	---	---	---

 Net Current Assets

0	0	0	0	0	3	0	6	6	4
---	---	---	---	---	---	---	---	---	---

 Accumulated Losses

				N	I	L			
--	--	--	--	---	---	---	--	--	--

Total Assets

0	0	0	0	0	5	4	0	2	3
---	---	---	---	---	---	---	---	---	---

 Reserves & Surplus

0	0	0	0	0	3	8	7	7	4
---	---	---	---	---	---	---	---	---	---

 Unsecured Loans

				N	I	L			
--	--	--	--	---	---	---	--	--	--

 Investments

				N	I	L			
--	--	--	--	---	---	---	--	--	--

 Misc. Expenditure

				N	I	L			
--	--	--	--	---	---	---	--	--	--

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

0	0	0	0	1	6	0	3	9	6
---	---	---	---	---	---	---	---	---	---

 Profit/Loss Before Tax

+	0	0	0	0	2	4	1	4	5
---	---	---	---	---	---	---	---	---	---

 Earnings per Share (in Rs.)

						2	1	4	
--	--	--	--	--	--	---	---	---	--

Total Expenditure

0	0	0	0	1	3	8	1	7	4
---	---	---	---	---	---	---	---	---	---

 Profit/(Loss) After Tax

+	0	0	0	0	1	6	0	1	5
---	---	---	---	---	---	---	---	---	---

 Dividend Rate %

								2	0
--	--	--	--	--	--	--	--	---	---

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

3	2	0	6	4	9	-	0	1
---	---	---	---	---	---	---	---	---

 Product Description

O	X	I	D	E	S		O	F		I	R	O	N			R	E	D
---	---	---	---	---	---	--	---	---	--	---	---	---	---	--	--	---	---	---

Item Code No. (ITC Code)

3	2	0	6	4	9	-	0	3
---	---	---	---	---	---	---	---	---

 Product Description

O	X	I	D	E	S		O	F		I	R	O	N					
Y	E	L	L	O	W													

Item Code No. (ITC Code)

3	2	1	0	0	0	-	0	9
---	---	---	---	---	---	---	---	---

 Product Description

D	R	Y		C	E	M	E	N	T		P	A	I	N	T			
---	---	---	--	---	---	---	---	---	---	--	---	---	---	---	---	--	--	--

KALIMATI INVESTMENT COMPANY LIMITED

(A Subsidiary Company)

Directors' Report

To the Members,

The Directors hereby present their Fifteenth Annual Report on the business and operations of the Company and the audited accounts for the year ended 31st March, 1998.

2. FINANCIAL RESULTS

The income from investments, interest on deposits and profit on sale of securities etc. for the year amounted to Rs. 894.93 lakhs (1996-97: Rs. 1526.30 lakhs). The profit for the year after taxes was

Adding thereto balance brought forward from the previous year

the total profit amounts to

which the Directors have appropriated as under to :

Special Reserve

Dividend on Equity Shares

Dividend on Preference Shares

Tax on Proposed Dividend

TOTAL

Leaving a balance of to be carried forward

Rupees Lakhs	Previous Year Rupees Lakhs
273.46	140.47
4,261.43	4,244.05
4,534.89	4,384.52
54.69	28.09
130.63	95.00
179.55	—
31.02	—
395.89	123.09
4,139.00	4,261.43

3. DIVIDENDS

The Directors recommend a dividend for the year ended 31st March, 1998, to be paid as follows, if approved by the Shareholders at the forthcoming Annual General Meeting :

- On 94,99,982 Equity Shares at Re. 1.00 per share (1996-97 : On 94,99,982 Equity Shares at Re. 1.00 per share)
- On 47,49,991 Equity Shares allotted on 1.7.97 on Rights basis at Re. 1/- per share on a proportionate basis from the date of allotment upto 31.3.98 (1996-97 : Nil)
- On 1,99,49,962 — 12% Cumulative Redeemable Preference Shares of Rs. 10 each allotted on 1.7.97 on Rights basis, at Rs. 1.20 per share on a proportionate basis from the date of allotment upto 31.3.98 (1996-97 : Nil)

4. INVESTMENTS & FINANCE

During the year, the Company has sold securities having a cost of Rs. 1123.16 lakhs and has made a profit on sale of securities amounting to Rs. 199.71 lakhs. In view of the reduction in the borrowings of the Company, the interest burden has gone down to Rs. 593.36 lakhs from Rs. 1393.08 lakhs. However, the Company has to pay a preference dividend of Rs. 239.40 lakhs (annualised) on 12% Cumulative Redeemable Preference Shares issued during the year.

5. RIGHTS ISSUE

Taking into account the long term requirements of the Company, and with a view to minimise the level of borrowings, the following Rights Issue was completed during the year :

- 47,49,991 Equity Shares of Rs. 10 each, at a price of Rs. 50 per share (Premium of Rs. 40) in the ratio of 1:2 aggregating Rs. 23.75 crores; and
- 1,99,49,962 - 12% Cumulative Redeemable Preference Shares of Rs. 10 each, at par, in the ratio of 21:10 aggregating Rs. 19.95 crores.

6. DIRECTORS

During the year, Mr. S.R. Subbaraman, Chairman of the Company, resigned from the Board and, in his place, Mr. Ishaat Hussain, Director of the Company, was appointed Chairman. The Board put on record its appreciation of the services rendered by Mr. S.R. Subbaraman, during his tenure. Mr. Zubin Dubash has joined the Board in the casual vacancy created by the resignation of Mr. S.R. Subbaraman. In accordance with the provisions of the Companies Act, 1956, Mr. S.A. Sabavala and Mr. P.D. Karkaria retire by rotation and are eligible for re-appointment.

7. AUDITORS

M/s. S. B. Billimoria and Co., the present auditors of the Company retire and being eligible, offer themselves for re-appointment.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Being an investment Company, there are no particulars to be furnished in this report as required by Section 217(1)(e) of the Companies Act, 1956, relating to conservation of energy and technology absorption. There was no foreign exchange earnings or outgo during the year.

9. EMPLOYEES

The Company had no employees of the category mentioned in Section 217(2A) of the Companies Act, 1956.

On behalf of the Board of Directors

ISHAAT HUSSAIN
Chairman

Mumbai, 30th April, 1998.

Auditors' Report

To the Members of

Kalimati Investment Company Limited

We have audited the attached Balance Sheet of KALIMATI INVESTMENT COMPANY LIMITED as at 31st March, 1998 and the Profit and Loss Account of the Company for the year ended on that date, annexed thereto, and report thereon as follows :

- As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
- Further to our comments in the Annexure referred to in paragraph (1) above :
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998; and
 - in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

For S. B. BILLIMORIA & CO.
Chartered Accountants

NALIN M. SHAH
Partner

Mumbai, 30th April, 1998.

Annexure to the Auditors' Report

(Referred to in paragraph (1) of our Report of even date)

- The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets. The fixed assets were physically verified by the Management during the year and no discrepancies were noticed on such verification.
- The fixed assets have not been revalued during the year.
- In our opinion, the rates of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 are not *prima facie* prejudicial to the interests of the Company. The Company has not taken any loans from companies under the same management as defined under Section 370 (1B) of the said Act.
- In our opinion, the rates of interest and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 are not *prima facie* prejudicial to the interests of the Company. No loans have been granted during the year to companies under the same management as defined under Section 370 (1B) of the said Act.
- In respect of loans given by the Company, principal amounts have been repaid as stipulated and the interest has been regularly recovered.
- The Company has not accepted deposits from the public.
- The Company does not have an internal audit system.
- The Company did not have any employee on its payroll and hence the provisions under paragraph 4(a)(vii) of the Order do not apply to the Company.
- According to the records of the Company examined by us, there were no undisputed amounts payable in respect of income-tax outstanding as at 31st March, 1998 for a period of more than six months from the date they become payable.
- According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account.
- The Company has not granted any loans or advances on the basis of security by pledge of shares, debentures or other similar securities.
- As explained to us, the provisions of any special statute applicable to chit-fund, nidhi or mutual benefit society are not applicable to the Company.
- The Company has maintained proper records of transactions and contracts in respect of its trading in shares and timely entries have been made in such records. The Company's investments have been held in its own name.

For S. B. BILLIMORIA & CO.
Chartered Accountants

NALIN M. SHAH
Partner

Mumbai, 30th April, 1998.

KALIMATI INVESTMENT COMPANY LIMITED**Balance Sheet**
as at 31st March, 1998

Schedule	Rupees	As at 31st March, 1997 Rupees
SOURCES OF FUNDS		
Shareholders' Funds :		
Capital	A 34,19,99,350	9,49,99,820
Reserves and Surplus	B 75,20,84,252	57,05,23,188
	1,09,40,83,602	66,55,23,008
Loan Funds :		
Secured Loans	C —	10,00,00,000
Unsecured Loans	D 39,35,00,000	72,15,00,000
TOTAL	1,48,75,83,602	1,48,70,23,008
APPLICATION OF FUNDS		
Fixed Assets :		
Gross Block	E 48,28,634	46,26,134
Less : Depreciation	15,08,612	13,06,577
Net Block	33,20,022	33,19,557
Investments	F 1,49,30,67,833	1,47,67,74,771
Current Assets, Loans and Advances :		
Accrued interest on Investments ...	38,01,457	44,78,338
Sundry Debtors (due for less than 6 months, unsecured, considered good)	29,96,298	13,64,500
Cash and Bank Balances	G 20,03,516	46,97,389
Loans and Advances	H 4,18,85,065	4,91,42,960
	5,06,86,336	5,96,83,187
Less : Current Liabilities and Provisions		
Current Liabilities	I 65,69,637	2,09,12,758
Provisions :		
(i) Provision for Taxation	2,19,03,511	2,23,41,767
(ii) Proposed Dividend	3,10,17,441	94,99,982
	5,29,20,952	3,18,41,749
	5,94,90,589	5,27,54,507
Net Current Assets / Liabilities	(88,04,253)	69,28,680
TOTAL	1,48,75,83,602	1,48,70,23,008
Notes to Accounts	J	

Profit and Loss Account for the year ended
31st March, 1998

	Rupees	Previous Year Rupees
INCOME		
Income from Investments — Gross	6,39,12,665	6,71,08,080
(Tax deducted at source — Rs. 19,79,072; Previous year — Rs. 1,38,48,287)		
Interest on Deposits and Loans — Gross	35,09,857	13,35,705
(Tax deducted at source — Rs. 7,40,803; Previous year — Rs. 2,44,826)		
Interest on Income tax refund	15,00,090	91,222
Profit on sale of Securities	1,99,70,544	8,29,57,358
Income from Rent — Gross	6,00,000	3,58,000
(Tax deducted at source — Rs. 1,30,840; Previous year — Rs. 74,340)		
Other Income	—	7,80,000
(Tax deducted at source — Rs. Nil; Previous year — Rs. 1,61,000)		
TOTAL	8,94,93,156	15,26,30,365
EXPENDITURE		
General Office Expenses	29,521	12,085
Auditors' Fees (See Note 6)	93,000	48,500
Directors' Fees	29,000	23,000
Depreciation	2,02,035	2,09,369
Diminution in Investment Value	62,999	—
Interest Tax	4,10,832	49,498
Rates & Taxes	19,205	1,01,982
Repairs to Building	20,500	—
Brokerage	5,10,428	1,91,862
Professional Fees	—	25,000
Wealth Tax	75,555	29,850
	14,53,075	6,91,146
Interest and Financial Charges on		
Fixed Loans	4,33,79,075	4,89,23,289
Other than Fixed Loans	1,59,57,660	9,03,84,997
	5,93,36,735	13,93,08,286
TOTAL	6,07,89,810	13,99,99,432
PROFIT BEFORE TAXES	2,87,03,346	1,26,30,933
Taxes (Net of excess provision Rs. Nil; Previous year - 30,46,500)	13,57,236	(14,16,500)
PROFIT AFTER TAXES	2,73,46,110	1,40,47,433
Balance brought forward from last year ..	42,61,42,688	42,44,04,724
PROFIT AVAILABLE FOR APPROPRIATION	45,34,88,798	43,84,52,157
APPROPRIATIONS		
Special Reserve	54,69,222	28,09,487
Proposed Dividend — Equity Shares @ 10% ..	1,30,62,475	94,99,982
— Preference Shares	1,79,54,966	—
— Tax on Dividends ..	31,01,744	—
	3,95,88,407	1,23,09,469
BALANCE CARRIED TO BALANCE SHEET	41,39,00,391	42,61,42,688
Notes to Accounts (Schedule J)		

In terms of our report of even date attached.

For S. B. BILLIMORIA & CO.
Chartered AccountantsNALIN M. SHAH
Partner
Mumbai, 30th April, 1998.S. MUKHOPADHYAY
Company Secretary

For and on behalf of the Board

ISHAAT HUSSAIN Chairman
P. D. KARKARIA Director

Mumbai, 30th April, 1998.

In terms of our report of even date attached.

For S. B. BILLIMORIA & CO.
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Partner
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Company Secretary

For and on behalf of the Board

ISHAAT HUSSAIN Chairman
P. D. KARKARIA Director

Mumbai, 30th April, 1998.

KALIMATI INVESTMENT COMPANY LIMITED

Schedules forming part of the Balance Sheet as at 31st March, 1997

SCHEDULE 'A' : SHARE CAPITAL

		As at 31st March, 1997	Rupees	Rupees
Authorised				
1,49,99,982	Equity Shares of Rs. 10 each ..	14,99,99,820	14,99,99,820	
18	Non-Cumulative Redeemable Preference Shares of Rs. 10 each	180	180	
2,00,00,000	12% Cumulative Redeemable Preference Shares of Rs. 10 each (Previous Year Nil)	20,00,00,000	—	
		35,00,00,000	15,00,00,000	
Issued, Subscribed and Paid-up				
1,42,49,973	Equity Shares of Rs. 10 each .. (Previous Year 94,99,982 shares)	14,24,99,730	9,49,99,820	
1,99,49,962	12% Cumulative Redeemable Preference Shares of Rs. 10 each (Previous Year Nil)	19,94,99,620	—	
	(These shares are redeemable on 1-7-2007 with a "Put" and a "Call" option at any time after 1-7-2000) (All the above Equity Shares and Preference Shares are held by The Tata Iron & Steel Company Limited, the holding Company)	34,19,99,350	9,49,99,820	

SCHEDULE 'B' : RESERVES AND SURPLUS

		As at 31st March, 1997	Rupees	Rupees
(a)	Capital Redemption Reserve Balance as per last account	180	180	
(b)	General Reserve Balance as per last account	14,15,70,832	14,15,70,832	
	Amount transferred from Profit & Loss Account	—	—	
(c)	Share Premium	14,15,70,832	14,15,70,832	
	Less : Rights-Issue Expenditure	18,99,99,640	—	
		(16,65,500)	—	
(d)	Special Reserve Balance as per last account	18,83,34,140	—	
	Amount transferred from Profit & Loss Account	28,09,487	—	
		54,69,222	28,09,487	
(e)	Profit & Loss Account	82,78,709	28,09,487	
		41,38,00,391	42,61,42,688	
		75,20,84,252	57,05,23,188	

SCHEDULE 'C' : SECURED LOANS

		As at 31st March, 1997	Rupees	Rupees
	Short Term Loan from Unit Trust of India (secured by pledge of investments)	—	10,00,00,000	

SCHEDULE 'D' : UNSECURED LOANS

		As at 31st March, 1997	Rupees	Rupees
1.	Short Term Inter-corporate deposits	39,00,00,000	72,05,00,000	
2.	Other deposits	35,00,000	10,00,000	
		39,35,00,000	72,15,00,000	

SCHEDULE 'E' : FIXED ASSETS

	Gross Block as on 01-04-97	Additions	Gross Block as on 31-03-98	Depreciation as on 01-04-97	Depreciation for 1997-98	Depreciation upto 31-03-98	Net Block as on 31-03-98
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Building	43,85,000	2,02,500	45,87,500	12,13,549	1,68,698	13,82,247	32,05,253
	(43,85,000)	—	(43,85,000)	(10,46,631)	(1,66,918)	(12,13,549)	(31,71,451)
Furniture and Fixtures	31,134	—	31,134	1,143	5,428	6,571	24,563
	(—)	(31,134)	(31,134)	(Nil)	(1,143)	(1,143)	(29,991)
Plant and Machinery	2,10,000	—	2,10,000	91,885	27,909	1,19,794	90,206
	(2,10,000)	—	(2,10,000)	(50,577)	(41,308)	(91,885)	(1,18,115)
Total	46,26,134	2,02,500	48,28,634	13,06,577	2,02,035	15,08,612	33,20,022
	(45,95,000)	(31,134)	(46,26,134)	(10,97,208)	(2,09,369)	(13,06,577)	(33,19,557)

Note : Figures in brackets are in respect of previous year.

SCHEDULE 'F' : INVESTMENTS

	No. of Shares/ Debtentures/ Bonds/Units fully paid-up	As at 31st March, 1997	Rupees	Rupees
Shares (Quoted)				
Maxwell Apparels Ltd.	—	1,01,84,000	—	
Industrial Development Bank of India	1,39,200	1,80,93,000	4,05,08,000	
Essar Steel Ltd.	—	10,09,000	—	
Sanderson Industries Ltd.	1,06,234	10,62,340	13,33,340	
Unit Trust of India - Mastergain Units	—	10,71,600	—	
Standard Chrome Ltd.	5,58,000	55,80,000	55,80,000	
Carried forward..	—	2,47,38,340	5,96,85,940	

SCHEDULE 'F' : INVESTMENTS (Contd.)

(At cost or book value whichever is lower)

Name of the Company	No. of Shares/ Debtentures/ Bonds/Units fully paid-up	As at 31st March, 1997	Rupees	Rupees
Brought forward.....		2,47,38,340	5,96,85,940	
Unit Trust of India - Master Shares	2,480	51,656	36,96,775	
Hindustan Oil Exploration Co. Ltd.	1,00,000	15,00,000	15,00,000	
Namtech Electronic Devices Ltd.	1,70,800	17,06,000	22,50,000	
Wellman Incandescent India Ltd.	8,67,534	86,75,340	86,66,340	
Tata Construction & Projects Ltd.	6,36,364	63,76,015	63,76,015	
Hitech Drilling Services (India) Ltd.	—	—	73,50,000	
Tamil Nadu Petroproducts Ltd.	15,000	0,32,479	4,32,479	
Essar Shipping Ltd.	—	—	11,05,300	
Nicco Corporation Ltd.	3,15,000	18,00,000	9,00,000	
Stewarts & Lloyds of India Ltd.	11,97,000	1,43,64,000	1,43,64,000	
Tata Finance Ltd.	20,00,000	6,00,00,000	6,00,00,000	
Timax Watches Ltd.	5,00,000	50,00,000	50,00,000	
Indo Gulf Fertilisers Ltd.	—	—	11,72,644	
Videcon International Ltd.	—	—	10,32,700	
TRF Ltd.	1,46,250	51,18,750	51,18,750	
ICICI Ltd.	—	—	10,27,140	
Titan Industries Ltd.	36,31,110	19,40,38,174	19,40,38,174	
Tata SSL Ltd.	46,80,187	21,53,43,445	21,53,43,445	
BSES Ltd.	5,000	10,81,380	10,81,380	
Sterite Industries Ltd.	—	—	12,35,565	
Tata Engg. & Locomotive Co. Ltd.	18,68,704	6,87,35,500	6,87,27,000	
Indian Steel Rolling Mills Ltd.	2,85,000	1	1	
SKF Bearings (India) Ltd.	3,594	9,12,948	11,66,968	
Corporation Bank	6,100	4,88,000	—	
Bank of India	1,400	63,000	—	
Shares (Unquoted)				
Tata Projects Ltd.	10,125	11,81,710	11,81,710	
Sinto Investment Co. Ltd.	1,00,000	10,00,000	10,00,000	
Credit Analysis & Research Ltd.	1,00,000	10,00,000	10,00,000	
Varuna Investments Ltd.	43,740	51,18,795	51,18,795	
Investech Advisory Serv. (I) Ltd.	1,680	1,68,420	1,68,420	
Rujvalika Investments Ltd.	1,74,800	20,92,000	29,92,000	
Eastern Synpacks Ltd.	1,50,000	15,01,500	15,01,500	
Tata Sons Ltd.	8,250	38,75,00,000	68,75,00,000	
Mohar Exports Serv. Pvt. Ltd.	2	20	20	
Utkal Alumina International Ltd.	76,555	7,65,550	7,65,550	
Viplav Investments Ltd.	1,74,800	29,92,000	29,92,000	
Tata Trustee Co. Ltd.	2,500	25,000	25,000	
Bank of India	—	—	63,000	
Tata International Ltd.	698	70,14,300	—	
Tata Industries Ltd.	6,01,303	12,02,60,300	—	
Debtentures/Bonds (Quoted)				
Government Securities	—	—	5,67,90,850	
17% MTNL Bonds	1	4,00,00,000	4,00,00,000	
13.5% NCD - Tata Const. & Proj. Ltd.	54,000	54,00,000	54,00,000	
9.75% IDBI Bonds 1998 (Face Value 50 Lakhs)	1	46,42,500	48,42,500	
12.5% NCD - J K Synthetics Ltd.	350	1	63,000	
Debtentures/Bonds (Unquoted)				
11% IRBI - (2002)	1	4,97,500	4,97,500	
7.5% Housing Urban Development Corporation	—	—	29,22,000	
TOTAL		5,96,85,940	1,47,67,74,771	

Notes :—

- Aggregate of Quoted Investments
Cost 65,56,49,836 (76,90,47,276)
Market Value 55,89,58,652 (1,28,17,94,026)
- Aggregate of Investments listed but not Quoted
Cost 54,00,000
- Aggregate of Unquoted Investments
Cost 83,20,17,995 (70,77,27,495)
- Long Term investments 1,49,30,67,933 (1,47,67,74,771)
Current Investments (Investments intended to be held for not more than one year) —

SCHEDULE 'G' : CASH AND BANK BALANCES

	As at 31st March, 1997	Rupees	Rupees
1. Cash in hand	1,577	919	
2. Current Accounts with Scheduled Banks	20,01,500	46,96,470	
	20,03,077	46,97,389	

KALIMATI INVESTMENT COMPANY LIMITED**SCHEDULE 'H' : LOANS AND ADVANCES**
(Unsecured, considered good)

Loans and Deposits with Companies	
Advance against Share Capital	
Other Advances (Security Deposits)	
Accrued Interest on Deposits	
Advance Interest Tax paid	
Income-tax deducted at source	
Advance recoverable in Cash	

Rupees	As at 31st March, 1997 Rupees
75,00,000	60,00,000
—	9,00,000
3,90,000	8,27,500
1,67,397	5,41,438
10,44,347	11,68,179
3,27,83,321	3,96,68,843
—	37,000
4,18,85,065	4,91,42,960

SCHEDULE 'I' : CURRENT LIABILITIES

Sundry Creditors	
Other Liabilities	
Interest accrued but not due on loans	

Rupees	As at 31st March, 1997 Rupees
38,000	60,000
6,76,847	1,18,13,957
58,54,790	90,38,801
65,69,637	2,09,12,758

Schedules forming part of the Accounts**SCHEDULE 'J' : NOTES TO ACCOUNTS****A. Notes :****1. Contingent Liabilities :**

Interest on Bonds/Debentures not included in the chargeable Interest in the Return of Interest Tax filed for the Financial Year 1994-95 amounted to Rs. 11,31,147. If the demand is raised by Income Tax Department on completion of assessment which at present is pending, the Company will have to pay an amount of Rs. 33,934 as interest tax. Similarly for the financial year 1997-98 an amount of Rs. 1,16,63,464 has not been included in chargeable interest, if the demand is raised by the Income Tax Department, the Company will have to charge off an amount of Rs. 2,33,270 as interest tax expenditure.

2. The Company along with other specified persons who have subscribed to the capital of Titan Industries Limited has given an undertaking to International Finance Corporation, Washington (IFC), who have sanctioned loans to Titan Industries Limited, that so long as any part of the loans disbursed by IFC to Titan Industries Limited remains outstanding, it shall not without the prior approval of IFC, dispose off its investments in Titan Industries Limited which would result in the aggregate holding of such persons being reduced below 7.5% of the issued share capital of Titan Industries Limited.

3. The Company has given an undertaking to ICICI and IIBI who have sanctioned loans to The Indian Steel Rolling Mills Limited (ISRM) that so long as any part of the loans disbursed by ICICI and IIBI to ISRM remains outstanding, it shall not, without the prior approval of ICICI and IIBI, dispose off its investments in ISRM. Similar undertakings have been given to ICICI, IFCI and IIBI in respect of further loans sanctioned by them to ISRM.

4. The Company has given an undertaking to IDBI and ICICI who have sanctioned loans to Standard Chrome Limited (SCL) that so long as any part of the loans disbursed by IDBI and ICICI to SCL remains outstanding, it shall not, without the prior approval of IDBI and ICICI, dispose off its investments in SCL.

5. The Company has an investment of Rs. 63.76 lakhs in the equity shares of Tata Construction and Projects Limited (TCPL) (formerly Tata Davy Limited) and Rs. 54 lakhs in the debentures of that company. TCPL was a "Sick Company" within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 and a Scheme for revival of the Unit has been sanctioned by BIFR, in terms of its Order dated 17th June, 1991. In terms of the BIFR Order, accrued interest on the debenture upto 31.3.1990 together with additional interest thereon has been converted into equity shares. On grounds of prudence, no credit has been taken for interest on debentures for the period 1st April, 1992 to 31st March, 1996 aggregating to Rs. 16.20 lakhs receivable in instalments.

6. Auditors' Fees include

- (a) For services as Auditors
(b) Tax Audit
(c) Other Matters

Rupees	1996-97 Rupees
40,000	30,000
7,500	7,500
45,500	11,000

7. Previous year figures have been regrouped wherever necessary.

B. Significant Accounting Policies :

1. Fixed Assets : Fixed Assets are valued at cost less depreciation.

2. Depreciation : Depreciation on fixed assets is calculated on written down value basis at the rate prescribed under Schedule XIV to the Companies Act, 1956.

3. Investments : The Company's investments are held as Long term investments. Investments are capitalised at cost plus expenses. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments. When investment is made in partly convertible debentures, with a view to retain only the convertible portion of the debenture, the excess of the face value of the non-convertible portion over the realisation on sale of such portion is treated as part of the cost of acquisition of the convertible portion of the debenture.

4. Income from Investments : Income from investments comprises dividends on shares and interest on debentures and bonds.

Signatures to Schedules 'A' to 'J'

For and on behalf of the Board

ISHAAT HUSSAIN Chairman
P. D. KARKARIA DirectorS. MUKHOPADHYAY
Company Secretary

Mumbai, 30th April, 1998.

Mumbai, 30th April, 1998.

Balance Sheet Abstract and Company's General Business Profile

SCHEDULE

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

I. Registration Details

Registration No.

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 State Code

1	1
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Balance Sheet Date

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9	8
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Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

<p>Public Issue</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td></tr> </table> <p>Bonus Issue</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td></tr> </table>				N	I	L						N	I	L			<p>Rights Issue</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>4</td><td>3</td><td>7</td><td>0</td><td>0</td><td>0</td></tr> </table> <p style="text-align: center;">(including Share Premium 1 9 0 0 0 0)</p> <p>Private Placement</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td></tr> </table>				4	3	7	0	0	0				N	I	L		
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			N	I	L																													
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			N	I	L																													

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

<p>Total Liabilities</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td>1</td><td>4</td><td>8</td><td>7</td><td>5</td><td>8</td><td>4</td></tr> </table>			1	4	8	7	5	8	4	<p>Total Assets</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td>1</td><td>4</td><td>8</td><td>7</td><td>5</td><td>8</td><td>4</td></tr> </table>			1	4	8	7	5	8	4
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		1	4	8	7	5	8	4											

Sources of Funds

<p>Paid-up Capital</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>3</td><td>4</td><td>2</td><td>0</td><td>0</td><td>0</td></tr> </table> <p>Secured Loans</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td></tr> </table>				3	4	2	0	0	0				N	I	L			<p>Reserves & Surplus</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>7</td><td>5</td><td>2</td><td>0</td><td>8</td><td>4</td></tr> </table> <p>Unsecured Loans</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>3</td><td>9</td><td>3</td><td>5</td><td>0</td><td>0</td></tr> </table>				7	5	2	0	8	4				3	9	3	5	0	0
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Application of Funds

<p>Net Fixed Assets</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td> </td><td>3</td><td>3</td><td>2</td><td>0</td></tr> </table> <p>Net Current Assets</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>(</td><td>8</td><td>8</td><td>0</td><td>4</td><td>)</td></tr> </table> <p>Accumulated Losses</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td></tr> </table>					3	3	2	0				(8	8	0	4)				N	I	L			<p>Investments</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>1</td><td>4</td><td>9</td><td>3</td><td>0</td><td>6</td><td>8</td></tr> </table> <p>Misc. Expenditure</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td><td> </td><td> </td></tr> </table>				1	4	9	3	0	6	8				N	I	L		
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IV. Performance of Company (Amount in Rs. Thousands)

<p>Turnover</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td> </td><td>8</td><td>9</td><td>4</td><td>9</td><td>3</td></tr> </table> <p>Profit/Loss before tax</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td> </td><td>2</td><td>8</td><td>7</td><td>0</td><td>3</td></tr> </table> <p>Earning per Share in Rs. (Weighted Average)</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td> </td><td>0</td><td>.</td><td>8</td><td>6</td></tr> </table>					8	9	4	9	3					2	8	7	0	3					0	.	8	6	<p>Total Expenditure</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td> </td><td>6</td><td>0</td><td>7</td><td>9</td><td>0</td></tr> </table> <p>Profit/Loss after tax</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td> </td><td>2</td><td>7</td><td>3</td><td>4</td><td>6</td></tr> </table> <p>Dividend rate %</p> <table border="1" style="width: 100%; text-align: center;"> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>0</td></tr> </table>					6	0	7	9	0					2	7	3	4	6								1	0
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V. Generic Names of Principal Products/Services of Company (as per monetary terms)

Investments in shares, debentures and bonds.

TATA KORF ENGINEERING SERVICES LIMITED

(A Subsidiary Company)

Directors' Report**To The Members,**

The Directors hereby present the 12th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS

	Current Year (Rs. in Thousands)	Previous Year (Rs. in Thousands)
Profit/(Loss) before depreciation and taxes	(30,315)	19,757
Less : Depreciation	1,448	1,456
Profit/(Loss) before Tax	(31,763)	18,301
Less : Taxation (excluding tax on dividend)	—	10,623**
Net Profit/(Loss)	(31,763)	7,678
Add : Profit/(Loss) brought forward from previous year	2,000	2,000
Amount available for Appropriation	(29,763)	9,678
Transfer to General Reserve	—	6,358
Proposed Dividend	—	1,200
Tax on Proposed Dividend	—	120
Leaving a balance to be carried forward	(29,763)	2,000

** 73 relates to earlier year

DIVIDEND

In view of loss during the financial year 1997-98, the Directors are unable to declare dividend.

OPERATIONS**(a) Mini Blast Furnace (MBF) Technology**

The Company has been the first technology supplier to demonstrate a variety of applications of the MBF, with fastest implementation time and lowest capital cost. 22 out of 25 Mini Blast Furnaces (less than 350 cu.m size) sold in India and Indonesia, till date, are of the technology supplied by the Company. The current MBF contracts with Goa Carbon, Kalyani Ferrous etc. are progressing satisfactorily.

(b) Energy Optimising Furnace (EOF) Business

The consultancy, engineering and project services for two 30T EOFs with Southern Iron & Steel Co. Ltd. and Mukand Ltd. is in progress and it has been established that the capital cost of the EOF meltshop is significantly lower than that for the BOFs offered by the competitor. The two EOFs are likely to be commissioned during 1998-99.

(c) Overseas Orders

During the year under review, the Company secured a contract from P T Perkasa Industri, a Texmaco Group Company of Indonesia for providing engineering consultancy and commissioning for two each of MBFs and MSPs and one EOF for setting up a steel plant to produce long steel products at Pelabuhan Ratu located in the southern coast of West Java, 150 km from Jakarta. The basic engineering has been completed by Tata Korf. The Project has been delayed by more than six months due to the socio-economic crisis at Indonesia which in turn has adversely affected the profitability of the Company for year ended 31.3.98. However, P T Perkasa Industri vide letters dated 31.3.98 and 13.4.98 express their commitment towards completion of the said projects. Detail Engineering, site activities and placement of orders for equipment by them is expected to start from September-October, 1998 once the situation improves in Indonesia.

(d) Supply Jobs

During the year under review the Company secured orders from Indomag Steel Technology Ltd., Southern Iron and Steel Co. Ltd., The Tata Iron and Steel Co. Ltd., TRF Ltd., Mukand Ltd. and Goa Carbon Ltd. for supply for various equipment, machinery and accessories which will be used in iron and steel sector and pollution control activities. Substantial work in respect of the above orders have been completed during the year.

The Company has also obtained an order from M/s. Agra Iron Founder's Association (AIFA) for building the first environment friendly Cokeless Copula at Agra. As per MOU entered into with AIFA, after successful trial of demonstration plant, an order for building about 40 such units is expected by next few months.

SHARE CAPITAL

During the year under review the Company issued 200000 equity shares of Rs. 10/- each as fully paid Bonus Shares by capitalisation of General Reserves in the ratio of one share for each shares held. The equity share capital of the Company as on 31st March, 1998 increased to Rs.40 lakhs.

ISO - 9001

The Directors are pleased to report that your Company's quality management system has been accredited with ISO-9001 : 1994 certification by Indian Register Quality System (IRQS) vide Certificate dated 17th February 1998.

JRD QV

During 1997-98 the Company had initiated efforts for implementation of the JRD QV model for total quality and all the senior executives of the Company were provided required orientation and training for JRD QV appreciation. The Company will be in a position to apply for JRD QV award by the year 1999-2000.

DIRECTORS

During the year under review Mr. K.C. Mehra, Mr. R. Sankaran and Dr. T. Mukherjee resigned as Directors of the Company. In the casual vacancy caused due to the resignation of Dr. T. Mukherjee, Mr. A.S. Dhillon was appointed as Director of the Company with effect from 26th May, 1998.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. R.C. Nandrajog and Mr. A. S. Dhillon retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

The Auditors, M/s. Price Waterhouse, retire at the forthcoming annual general meeting and are eligible for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the requirement of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, statements showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed hereto and form part of this report.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read

with the rules thereunder, a statement giving requisite information is annexed hereto and forms part of this report.

SOCIAL RESPONSIBILITY

The Company is conscious about its social responsibilities. During the year under review the company has contributed to various sports and other welfare organisations for the benefit of the Society.

ACKNOWLEDGEMENT

Your Directors would like to place on record the sincere thanks for the co-operation and support received from various agencies of the Central and State Governments as also the Company's Bankers, shareholders and other business associates.

Your Directors also take this opportunity to place on record their appreciation of the dedication and sense of commitment shown by the officers and employees at all levels and their contribution towards the progress and performance of the Company.

On behalf of the Board of Directors
Y. S. KAPADIA V. K. LAKSHMANAN
Director Managing Director

26th May, 1998.

Annexure to the Directors' Report

Statement containing particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report

(A) CONSERVATION OF ENERGY

The Company undertakes consultancy and engineering contracts for installation of Energy Optimising Furnaces for Steel making and Mini Blast Furnace for Iron making both of which help in conserving energy substantially. This is one of the main reasons for the import of these new generation technologies which the Company is promoting in India. The Company is diversifying into Sinter Plant, Heat Recovery Coke Ovens with Co-generation of power, Combustion technology, etc., all of which help in conservation of energy. The Company has diversified into the foray of supplying equipments where energy consumption is negligible.

(B) TECHNOLOGY ABSORPTION**Research and Development**

Research & Development (R & D) is an ongoing activity and efforts are being made for in-house development of designs which would help the clients for manufacture their products.

1. Specific areas in which R & D work carried out by the Company :

The major areas of in-house R & D activities include :
Selection, absorption and adaptation of proven technology suitable for the country's needs and further in-house development for various applications.
Improvement in quality of design and quality assurance programmes.
Import substitution.

2. Benefits derived as a result of the above R & D :

As a result of the above R & D efforts, the Clients will derive benefits like import substitution, cost reduction, upgradation and improvement of quality.

3. Future plan of action :

Future plan is to continue such efforts including development of technology to cater for the needs of modernisation of related industries.

4. Expenditure on R & D :

(a) Capital	: Nil
(b) Recurring	: Expenses incurred are charged to individual contracts and not allocated separately.
(c) Total	: Not determined
(d) Total R & D expenditure (as a % of total turnover)	: Not determined

5. Technology Absorption, Adaptation and Innovation :**5.1 Efforts in brief, made towards Technology Absorption, Adaptation and Innovation**

The Company has been successful in the assimilation of Mini Blast Furnace Technology to be able to indigenously design and supply various types of Plant and Equipment.

5.2 Benefits derived as a result of the above efforts

As a result of the above efforts, the Company has been able to design equipment for advanced generation plant and equipment comparable with international standards.

5.3 (a) Technology Imported

(b) Year of Import	
Energy Optimising Furnace	1988
Mini Blast Furnace	1990
Water Cooled Panel	1989
Detail Engineering for Energy Optimising Furnace	1996

(c) Has Technology been fully absorbed

Technology for the above has been partly absorbed in achieving limited design and detailing capability, manufacture and assembly of hardware and extrapolating know-how to match application in similar technological needs.

(d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action

Full absorption has not taken place in the areas of basic design, process know-how, commissioning, troubleshooting on account of lack of adequate operating data.

Further plan of action includes constant development of technology, training of technical personnel, development of in-house and infrastructural facilities with a view to increasing indigenous content and participation.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in lakhs)
1. Foreign Exchange Earned	396.60
2. Foreign Exchange Outgo :	
— Import of drawings and designs	310.82
— License fees paid to Foreign Collaborators	24.25
— Import of material	12.31
— Travelling	13.77
— Dividend	4.79

On behalf of the Board of Directors
Y. S. KAPADIA V. K. LAKSHMANAN
Director Managing Director

26th May, 1998.

TATA KORF ENGINEERING SERVICES LIMITED

Annexure to the Directors' Report

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 and forming part of the Directors' Report for the Financial year ended 31st March, 1998

Name	Designation & Nature of Duties	Qualification	Age (in years)	Experience (in years)	Date of Commencement of Employment	Gross Remuneration	Net Remuneration	Previous Employment/ Position held
1	2	3	4	5	6	7	8	9
I) Employed throughout the year and in receipt of remuneration aggregating Rs. 3,00,000/- or more								
Mr. V. K. Lakshmanan	Managing Director	B.Tech (Metallurgy) M. Tech (Metallurgical Engineering) McMaster University, Canada	45	20	19.11.1992	5,07,720	2,97,386	The Tata Iron and Steel Co. Ltd.
II) Employed for a part of the year and in receipt of remuneration aggregating Rs. 25,000/- or more per month — Nil								

Notes: (1) Gross remuneration comprises salary, allowances, monetary value of perquisites, commission to the Directors and the Company's contribution to Provident and Superannuation Funds but excludes contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.
 (2) Net remuneration is after tax and is exclusive of Company's contribution to Provident and Superannuation Funds and monetary value of non-cash perquisites.
 (3) The nature of employment in all cases is contractual.
 (4) None of the employees mentioned above is a relative of any Director of the Company.

26th May, 1998.

On behalf of the Board of Directors
 Y.S. KAPADIA V.K. LAKSHMANAN
 Director Managing Director

Auditors' Report

To the Members of
Tata Korf Engineering Services Limited

1. We report that we have audited the Balance Sheet of **TATA KORF ENGINEERING SERVICES LIMITED**, as at 31st March, 1998, signed by us under reference to this report and the relative Profit and Loss Account for the year ended on that date, which are in agreement with the books of account.
2. In our opinion and to the best of our information and according to the explanations given to us, the above-mentioned Balance Sheet and the Profit and Loss Account together with the Notes thereon and attached thereto give, in the prescribed manner, the information required by the Companies Act, 1956 and also give respectively, a true and fair view of the state of the Company's affairs as at 31st March, 1998 and its loss for the year ended on that date.
3. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as appears from our examination of the books.
4. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :
 - 4.1.1 The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - 4.1.2 The fixed assets of the Company have been physically verified during the year by the management and no material discrepancies have been revealed on such verification.
 - 4.2 The fixed assets have not been revalued during the year.
 - 4.3.1 The materials purchased in respect of supply jobs during the year by the Company have been physically verified by the management during the year. The Company did not hold any stocks of stores or finished goods at any time during the year/at the year-end and accordingly clauses 4A(vi) and (xii) of the Order are not applicable to the Company.
 - 4.3.2 In our opinion, the procedures of physical verification of stocks of materials purchased in respect of supply jobs followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - 4.3.3 The physical verification of materials purchased in respect of supply jobs carried out by the management during the year did not reveal any discrepancy.
 - 4.4 The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or from the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
 - 4.5 The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or to companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
 - 4.6 Loans or advances in the nature of loans given to the employees and third parties except those disclosed as doubtful are being repaid as stipulated together with interest, where applicable.
 - 4.7 In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for purchase of

materials, fixed assets/similar assets and for the sale of materials in respect of supply jobs. The Company has not purchased any stores or components during the year.

- 4.8 The Company has not purchased goods and materials and sold services, aggregating Rs. 50,000/- or more in value from/to any of the parties listed in the register maintained under Section 301 of the Companies Act, 1956. However, the Company has sold materials to a party during the year listed in the register maintained under Section 301 of the Companies Act, 1956 aggregating Rs. 50,000/- or more in value at prices which are reasonable having regard to the prevailing market prices for such materials..
- 4.9 The Company has not accepted any deposits from the public.
- 4.10 The Company has no realisable by-product or scrap.
- 4.11 In our opinion, the Company's present internal audit system is commensurate with its size and the nature of its business.
- 4.12 The Central Government has not prescribed maintenance of cost records for the Company under Section 209(1)(d) of the Companies Act, 1956 for its products.
- 4.13 The Company has regularly deposited during the year, Provident Fund dues with appropriate authorities.
The Company has received a notice from the Employees' State Insurance Corporation on 2nd February, 1994 holding the Company to be covered under the E.S.I. Scheme with effect from 1st November, 1992 and demanded the dues with effect from that date which the Company is disputing and has applied for exemption.
- 4.14 As at 31st March, 1998, there were no undisputed amounts outstanding in respect of Income tax, wealth tax, sales tax, customs duty and excise duty for more than six months from the date they became payable.
- 4.15 During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses other than those paid under contractual obligations and/or in accordance with generally accepted business practice, which have been charged to Profit and Loss Account, nor have we been informed of any such case by the management.
- 4.16 The Company is not a sick industrial company within the meaning of Clause (O) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 as explained in Note 14 on Schedule - 16.
- 4.17 In respect of trading activities, there was no stock as on 31st March, 1998.
- 4.18 In respect of services rendered, in our opinion, the Company has a reasonable system, commensurate with the size and the nature of its business, of (a) recording receipts and issues of materials and allocation of the materials to jobs and (b) allocating man-hours utilised to jobs. In our opinion, the Company has a reasonable system of authorisation at proper levels with necessary controls on the issue of materials and allocation thereof and of labour to jobs and the related system of internal control of the Company is commensurate with the size of the Company and the nature of its business.

P. K. NANDY
Partner

For and on behalf of

PRICE WATERHOUSE
Chartered Accountants

Calcutta, 27th May, 1998.

TATA KORF ENGINEERING SERVICES LIMITED**Balance Sheet as at 31st March, 1998**

	Schedule	31st March, 1998 Rs. '000s	31st March, 1997 Rs. '000s
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	4,000	2,000
Reserves and Surplus	2	—	30,325
TOTAL		<u>4,000</u>	<u>32,325</u>
APPLICATION OF FUNDS			
Fixed Assets	3		
Gross Block		22,701	19,926
Less : Depreciation		16,335	14,887
Net Block		6,366	5,039
Investments	4	5,736	5,202
Current Assets, Loans and Advances			
Inter Corporate Deposit	5	—	—
Bills Discounted		8,668	30,156
Contract Work-in-Progress	6	—	818
Sundry Debtors	7	47,303	9,493
Cash and Bank Balances	8	5,861	6,133
Other Current Assets	9	1,721	2,146
Loans and Advances	10	22,081	11,986
Less :		85,634	60,732
Current Liabilities and Provisions	11	1,81,987	38,651
Net Current Assets		(96,353)	22,081
Miscellaneous Expenditure	12	84,813	3
(to the extent not written off or adjusted)			
Profit and Loss Account			
Less : Set-off against General Reserve		29,763	—
TOTAL		<u>4,000</u>	<u>32,325</u>
Notes on Accounts	16		

The Schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

Profit and Loss Account for the year ended 31st March, 1998

	Schedule	1997-98 Rs. '000s	1996-97 Rs. '000s
INCOME			
Turnover	13	83,398	1,23,063
Other Income	14	7,189	11,959
Contract Work-in-Progress		4,277	2,092
As on 31st March, 1998		94,864	1,37,114
LESS : EXPENDITURE			
Contract Work-in-Progress			
As on 1st April, 1997		2,092	32,019
Purchase of Materials		36,783	1,294
Purchase of Services		738	—
Operating Expenses	15	67,966	80,004
Depreciation	3	1,448	1,456
Provision for doubtful deposit and interest thereon		—	4,037
Provision for doubtful debts		635	—
Amortisation of Cost of Drawings	12	16,962	—
Miscellaneous Expenditure Amortised/Written Off		3	3
PROFIT/(LOSS) BEFORE TAXES		1,26,627	1,18,813
Provision for Taxation		(31,763)	18,301
Income Tax Paid/Provided in respect of Earlier Years		—	10,550
PROFIT/(LOSS) AFTER TAX		(31,763)	7,678
Balance brought forward from previous year		2,000	2,000
AMOUNT AVAILABLE FOR APPROPRIATIONS :		<u>(29,763)</u>	<u>9,678</u>
APPROPRIATIONS			
Proposed Dividend		—	1,200
Tax thereon		—	120
Transfer to General Reserve		—	1,320
BALANCE CARRIED TO BALANCE SHEET		<u>(29,763)</u>	<u>2,000</u>
Notes on Accounts	16	<u>(29,763)</u>	<u>9,678</u>

The Schedules referred to above form an integral part of the Profit and Loss Account.

For and on behalf of PRICE WATERHOUSE
Chartered Accountants

P. K. NANDY
Partner
27th May, 1998.

Y. S. KAPADIA Chairman

V. K. LAKSHMANAN Managing Director

TATA KORF ENGINEERING SERVICES LIMITED

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 1998

SCHEDULE 1**SHARE CAPITAL****Authorised**

5,00,000 Equity Shares of Rs. 10/- each

Issued, Subscribed & Paid-up

4,00,000 (1997 - 200,000) Equity Shares of Rs. 10/- each fully paid up. 200,000 Shares were issued during 1997-98 as fully paid Bonus Shares by capitalisation of General Reserves. 240,386 (1997 - 120,193) Shares are held by Tata Iron and Steel Company Limited (Holding Company) and its nominees

31.3.1998
Rs. '000s

5,000

4,000

31.3.1997
Rs. '000s

5,000

2,000

SCHEDULE 2**RESERVES AND SURPLUS****General Reserve** : As per last Account**Less** : Amount utilised for issue of Bonus Shares**Add** : Amount transferred from Profit and Loss Account**Less** : Set-off of Debit Balance of Profit and Loss Account**Surplus**

Profit and Loss Account

31.3.1998
Rs. '000s28,325
2,00026,325
26,32531.3.1997
Rs. '000s21,967
6,35828,325
28,3252,000
30,325**SCHEDULE 3****FIXED ASSETS**

(Rs. '000s)

Particulars	Gross Block at Cost				Depreciation				Net Block	
	As on 31.03.97	Additions	Disposal	As on 31.03.98	As on 31.03.97	For 1997-1998	On Disposal	As on 31.03.98	As on 31.03.98	As on 31.03.97
Other than Leased Assets										
Computers	4,548	1,893	—	6,441**	3,764	594	—	4,358	2,083	784
Office Equipment	2,045	—	—	2,045	811	171	—	982	1,063	1,234
Furniture	1,965	50	—	2,015	1,094	198	—	1,292	723	871
Motor Car	2,483	832	—	3,315**	1,357	341	—	1,698	1,617	1,126
Motor Cycle	32	—	—	32	21	3	—	24	8	11
Air-conditioner	815	—	—	815	281	74	—	355	460	534
Generator	136	—	—	136	59	11	—	70	66	77
Leased Assets										
Steel Rolls	7,352	—	—	7,352	7,352	—	—	7,352	—	—
Plant & Machinery	550	—	—	550	148	56	—	204	346	402
TOTAL	19,926	2,775	—	22,701*	14,887	1,448	—	16,335	6,366	5,039
<i>Previous Year</i>	<i>19,256</i>	<i>670</i>	<i>—</i>	<i>19,926</i>	<i>13,431</i>	<i>1,456</i>	<i>—</i>	<i>14,887</i>	<i>5,039</i>	

* Excludes assets taken on Lease

** Includes 2254 acquired under Hire Purchase arrangements of which 1878 was outstanding as on 31st March, 1998.

SCHEDULE 4**INVESTMENTS (LONG TERM) — OTHER THAN TRADE****At Cost****Unquoted**

Units 1964 (403,262* units with a face value of Rs. 10/- per unit)

[Repurchase price as on 31.3.98 - Rs. 6,109; 31.3.97 Rs. 5,332]

* Includes 39,291 units purchased and Nil (30,000) bonus units received during the year

31.3.1998
Rs. '000s

5,736

5,736

31.3.1997
Rs. '000s

5,202

5,202

SCHEDULE 5**INTER CORPORATE DEPOSITS — UNSECURED**

Inter Corporate Deposit - considered doubtful

Less : Provision31.3.1998
Rs. '000s4,000
4,00031.3.1997
Rs. '000s4,000
4,000**SCHEDULE 6****CONTRACT WORK-IN-PROGRESS**

(at lower of cost and net realisable value)

Contract Work-in-Progress

Less : Progress Billings31.3.1998
Rs. '000s—
—31.3.1997
Rs. '000s2,092
1,274818
818**SCHEDULE 7****SUNDRY DEBTORS - UNSECURED**

(includes retention money payable after expiry of the agreed term)

Outstanding for more than six months

— Considered good

— Considered doubtful

Less : Provision

Other Debts

— Considered good

31.3.1998
Rs. '000s635
635

4,304

42,999
47,303

14,287

31.3.1997
Rs. '000s

5,772

3,721
9,493

Amount due by a company under the same management

— Indomag Steel Technology Limited

TATA KORE ENGINEERING SERVICES LIMITED

Schedules annexed to and forming part of the Balance Sheet as at 31st March, 1998

SCHEDULE 8

CASH AND BANK BALANCES

Cash in Hand	
With Scheduled Banks :	
On Current Accounts	
On Short Term Deposit	
On Margin Money Account	

31.3.1998 Rs. '000s	31.3.1997 Rs. '000s
11	9
3,052	4,224
500	200
2,298	1,700
<u>5,861</u>	<u>6,133</u>

SCHEDULE 9

OTHER CURRENT ASSETS (UNSECURED)

— Considered good	
Interest Accrued	
Prepaid Insurance	
Security & Other Deposits	
— Considered doubtful	
Interest Accrued	
Less : Provision	

31.3.1998 Rs. '000s	31.3.1997 Rs. '000s
169	454
648	871
904	821
<u>1,721</u>	<u>2,146</u>
37	37
37	37
<u>1,721</u>	<u>2,146</u>

SCHEDULE 10

LOANS AND ADVANCES

(Unsecured - Considered good)

Advances recoverable in cash or in kind or for value to be received	
Advance payment of tax and tax deducted at source (Net of provision for taxation)	
Lease Terminal Adjustment	

31.3.1998 Rs. '000s	31.3.1997 Rs. '000s
8,369	6,881
10,537	—
3,175	5,105
<u>22,081</u>	<u>11,986</u>

SCHEDULE 11

CURRENT LIABILITIES AND PROVISIONS

Current Liabilities :

Sundry Creditors	
Advance from Customers	
Security Deposits	
Other Liabilities	
Progress Billing	
Less : Contract Work-in-Progress (at lower of cost and net realisable value)	

31.3.1998 Rs. '000s	31.3.1997 Rs. '000s
1,16,128	16,109
14,357	19,001
62	99
1,764	581
53,953	—
<u>4,277</u>	—
<u>49,676</u>	—
<u>1,81,987</u>	<u>35,790</u>

Provisions :

Provision for Taxation less payments and tax deducted at source	
Proposed Dividend	
Tax thereon	

—	1,541
—	1,200
—	<u>120</u>
—	<u>2,861</u>
<u>1,81,987</u>	<u>38,651</u>

SCHEDULE 12

MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)

Cost of Drawings	
Less : Amortisation of Drawings	

31.3.1998 Rs. '000s	31.3.1997 Rs. '000s
1,01,775	—
<u>16,962</u>	—
<u>84,813</u>	—
<u>84,813</u>	<u>3</u>

Preliminary Expenses	
----------------------------	--

TATA KORF ENGINEERING SERVICES LIMITED

**Schedules annexed to and forming part of Profit and Loss Account for the year ended
31st March, 1998**

SCHEDULE 13**TURNOVER**

For Engineering Service/Erection Contract Jobs	29,919	1,21,077
For Supply Jobs	53,479	526
Consultancy Fees	—	1,460
	<u>83,398</u>	<u>1,23,063</u>

1997-98 Rs. '000s	1996-97 Rs. '000s
29,919	1,21,077
53,479	526
—	1,460
<u>83,398</u>	<u>1,23,063</u>

SCHEDULE 14**OTHER INCOME**

Interest on Bank Deposits	189	114
Interest on Bills Discounted	3,395	6,519
Interest on Inter Corporate Deposit	—	962
(Tax Deducted at Source 1996-97 - Rs. 225)		
Dividend from Investment - Other than Trade	720	600
(Tax Deducted at Source Rs. 145; 1996-97 - Rs. 138)		
Lease Rentals	2,564	2,123
Miscellaneous Receipts	313	619
Liability no longer required written back	—	1,022
	<u>7,180</u>	<u>11,959</u>

1997-98 Rs. '000s	1996-97 Rs. '000s
189	114
3,395	6,519
—	962
720	600
2,564	2,123
313	619
—	1,022
<u>7,180</u>	<u>11,959</u>

SCHEDULE 15**OPERATING EXPENSES**

Fees to Foreign Collaborator	15,457	31,936
Expenses towards employees	18,318	15,937
Travelling Expenses	10,048	9,159
Repairs and Maintenance	1,930	2,592
Project related expenses	1,745	1,650
Rent and electricity	3,749	3,698
Communication expenses	6,155	5,539
Insurance Premium	583	537
Printing and Stationery	1,003	947
Business Promotion	1,084	1,040
Miscellaneous Expenses [including 200 (Previous Year - Nil) being the contribution to the Electoral Trust Fund formed by Tata Sons Limited]	1,031	807
Lease Rent	1,347	1,683
Exchange Loss	782	1,612
Directors' Fees	44	45
Interest on Hire Purchase	104	—
Service Tax	1,195	—
Sales Tax	260	—
Lease Equalisation	1,829	1,573
Expenditure on Aircraft [including Insurance Premium Rs. 801; (1996-97 - Rs. 920)]	836	951
Advance /Debtors written off	311	226
Amount paid/payable to Auditors:		
Audit Fees	30	30
Tax Audit Fees	10	10
In Other Capacity	10	28
Out-of-Pocket Expenses	5	4
	<u>87,963</u>	<u>80,004</u>

1997-98 Rs. '000s	1996-97 Rs. '000s
15,457	31,936
18,318	15,937
10,048	9,159
1,930	2,592
1,745	1,650
3,749	3,698
6,155	5,539
583	537
1,003	947
1,084	1,040
1,031	807
1,347	1,683
782	1,612
44	45
104	—
1,195	—
260	—
1,829	1,573
836	951
311	226
30	30
10	10
10	28
5	4
<u>87,963</u>	<u>80,004</u>

TATA KORF ENGINEERING SERVICES LIMITED

Schedules forming part of the Balance Sheet and Profit and Loss Account

SCHEDULE 16

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1998

(Figures in Rs. '000s)

1. Significant Accounting Policies :

- (i) All fixed assets, including assets on lease, are stated at their original cost including taxes, duties, freight and other incidental expenses related to acquisition and installation.
- (ii) Depreciation :
 - (a) Leased Assets
Fixed assets given on lease are depreciated over the related lease period. Lease Equalisation Account and Lease Terminal Adjustment Account have been recognised according to authoritative professional views.
 - (b) Other than Leased Assets
Depreciation on fixed assets (other than Leased Assets) is provided under Written Down Value method at rates which are in conformity with the requirements of the Companies Act, 1956.
- (iii) Long term investments are stated at cost.
- (iv) Cost of Drawings & Designs acquired on an outright purchase basis has been amortised over the period of its useful life of six years.
- (v) Recognition of Revenue
 - (a) Turnover in respect of engineering service contract jobs includes service tax and is recognised considering reasonableness of its realisability and only after a project is at least 50% complete. The extent of such completion is determined on the basis of the lower of:
 - (i) technical evaluation by the Company and
 - (ii) the amount of invoices raised as a percentage of total contract value.
 - (b) The Company being engaged in rendering of services, revenues from consultancy jobs/service charges for technical service and advice have been considered to be part of turnover. Revenues from such services are recognised as and when these become due.
 - (c) Turnover in respect of supply jobs includes Sales Tax and is recognised on completion of sale of goods and/or as per agreed billing schedule between the respective customers and the company.
 - (d) Turnover in respect of contracts involving installation activities and/or supervision thereof, Erection and Commissioning and/or Supervision thereof is recognised when these are substantially complete.
 - (e) Other income is recognised on accrual basis.
- (vi) Contract Work-in-Progress in respect of engineering service contracts as also erection contracts are valued at lower of cost and net realisable value. For this purpose, costs comprise all expenses directly identifiable with contracts plus a proportion of indirect expenses, based on time spent. Provision is also made for foreseeable loss, if any.
- (vii) Transactions in Foreign Currency relating to monetary items outstanding at the Balance Sheet date are accounted for at the contracted rate when covered by forward contracts and at exchange rates prevailing on the Balance Sheet date in the case of others. Exchange differences are dealt with in the Profit and Loss Account, except those relating to acquisition of Fixed Assets which are capitalised.
- (viii) Retirement Benefits are provided in the books of account and payments are made to the Trustees of the Company's Provident Fund and concerned authorities on the basis of actuarial valuation or otherwise, as appropriate. The Fund is administered by an independent Board of Trustees. Provisions are also made for leave encashment retiral benefits based on year end leave balance as per related rules of the Company.
- (ix) Contingencies which can be reasonably ascertained are provided for if, in the opinion of the Company, there is a probability that the future outcome may be materially detrimental to the Company.
- (x) Prior period and extraordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.
- (xi) Material events occurring after the Balance Sheet date are taken into cognisance.

2. (a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advance) Rs. 1,151 (31.3.1997 — Rs. 520).

(b) Contingent Liabilities :

Claims against the Company not acknowledged as Debts

ESI liability - under appeal

Income Tax - under appeal

31.03.98 Rs. '000s	31.03.97 Rs. '000s
284	111
542	—
826	111

(c) Bank Guarantees outstanding (Guarantees are secured against hypothecation of Company's current assets and other raw materials and stores including Work-in-Progress, present and future) - Rs. 7,400 (31.3.1997 - Rs. 6,800).

(d) Future commitment for Lease Rental — Rs. 291 (31.3.1997 — Rs. 1,638).

3. Other Liabilities include Rs. 194 (31.3.1997 — Rs. 194) being amount held for income tax payable, if any, in India, on behalf of an erstwhile expatriate employee of the Company's Overseas Collaborator.

4. Managerial Remuneration included in Profit and Loss Account:

(a) Managing Director's Remuneration :

Salary

Commission to Managing Director

Contribution to Provident and Superannuation Funds

Gratuity

Leave Encashment benefit on Retirement

Cost of Benefits

1997-98 Rs. '000s	1996-97 Rs. '000s
312	288
—	576
81	72
8	9
35	33
135	140
571	1,118
44	45
615	1,163

(b) Other Directors' Fees

In view of absence of Profit computed under Section 198 of the Companies Act, 1956, minimum remuneration has been paid to Managing Director.

5. Fees to Overseas Collaborators :

Fees remitted/remittable

Income tax on fees

Cess on fees

1997-98 Rs. '000s	1996-97 Rs. '000s
13,275	25,637
1,529	5,039
653	1,260
15,457	31,936

TATA KOLF ENGINEERING SERVICES LIMITED

Schedules forming part of the Balance Sheet and Profit and Loss Account (Contd.)

	1997-98 Rs. '000s	1996-97 Rs. '000s
6. Expenses towards employees :		
Salaries etc.	13,254	12,315
Bonus to Employees	442	454
Staff Welfare	2,464	1,741
Contribution to Provident Fund	792	584
Contribution to Superannuation Fund	720	438
Payment of Premium to Life Insurance Corporation of India under LIC Group gratuity scheme	207	184
Provision for Leave Encashment benefit on retirement	439	221
	<u>18,318</u>	<u>15,937</u>

7. Expenses include amounts reimbursed/reimbursable to The Tata Iron and Steel Company Limited.

8. Expenditure in Foreign Currency :

(i) Licence/Technical Service Fees	Rs. 13,275	(1996-97 - Rs. 25,637)
(ii) Travelling	Rs. 1,377	(1996-97 - Rs. 941)
(iii) Drawings & Designs	Rs. 1,02,203	(1996-97 - Rs. Nil)
(iv) Materials	Rs. 1,231	(1996-97 - Rs. Nil)

9. Amount remitted in foreign currencies towards dividend :

	1997-98			1996-97		
	No. of non- resident share- holders	No. of shares held	Net dividend remitted (Rs. '000s)	No. of non- resident share- holders	No. of shares held	Net dividend remitted (Rs. '000s)
Final - 1995-96	—	—	—	1	79,800	407
Final - 1996-97	1	79,800	479	—	—	—

10. Purchase/Sale of materials :

Machinery, Equipment, Accessories and Components for :

	PURCHASES		SALES	
	1997-98	1996-97	1997-98	1996-97
Ladle Heating and Tundish Heating System	12,656	—	20,085	—
Water Treatment Plant, Ventury Instrumentation and FD & ID Fan System	12,930	—	17,702	—
Effluent Treatment Plant	481	526	509	526
Water Cooled Panels	1,661	—	2,648	—
Dust Suppression System	—	768	783	—
Pig Casting Machine	2,855	—	3,211	—
Fume Extraction System	6,200	—	8,541	—
	<u>36,783</u>	<u>1,294</u>	<u>53,479</u>	<u>526</u>

11. During the year, the Company incurred with the approval of the Board of Directors Rs. 836 (1996-97: Rs. 951) for its business purposes, on the imported Aircraft for which the Company holds valid registration certificate of Directorate General of Civil Aviation.
12. Sundry Creditors includes Rs. 304 (1996-97 : Rs. Nil) due to small scale and ancillary undertakings to the extent such parties have been identified from available information.
13. Advances recoverable in cash or in kind or for value to be received include Rs. 4 (As at 31.3.1997: Rs. 5) being balance of furniture loan granted as per Company rules to the Managing Director before he became a director of the Company (maximum balance due at any time during the year - Rs. 5).
14. According to an authoritative pronouncement, the Company does not come within the purview of the Sick Industrial Companies (Special Provisions) Act, 1985.
15. Information pursuant to Part IV of Schedule VI of the Companies Act, 1956 is given in Annexure-A.
16. Previous year's figures have been regrouped/rearranged, where necessary.

Signatures to Schedules 1 to 16

For and on behalf of PRICE WATERHOUSE
Chartered Accountants

Y.S. KAPADIA Chairman

P.K. NANDY
Partner

V.K. LAKSHMANAN Managing Director

27th May, 1998.

TATA KORF ENGINEERING SERVICES LIMITED

Annexure : 'A' to Schedule 16

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

3 9 6 7 5

State Code

2 1

(Refer Code List 1)

Balance Sheet Date

3 1

0 3

9 8

Date

Month

Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

2 0 0 0

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

1 8 5 9 8 7

Total Assets

1 8 5 9 8 7

Sources of Funds

Paid-up Capital

4 0 0 0

Reserves & Surplus

N I L

Secured Loans

N I L

Unsecured Loans

N I L

Application of Funds

Net Fixed Assets

6 3 6 6

Investments

5 7 3 6

Net Current Assets

(-) 9 6 3 5 3

Misc. Expenditure

8 4 8 1 3

Accumulated Losses

3 4 3 8

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

8 3 3 9 8

Total Expenditure

1 2 2 3 5 0

+ - Profit/Loss before Tax

✓ 3 1 7 6 3

+ - Profit/Loss after Tax

✓ 3 1 7 6 3

(Please tick appropriate box + for Profit - for Loss)

Earning per share in Rs.

N A

Dividend (Percent)

0

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

THE COMPANY IS ENGAGED IN RENDERING TECHNICAL CONSULTANCY SERVICES MAINLY IN IRON & STEEL SECTOR

Item Code No.
(ITC Code)

N O T A P P L I C A B L E

Product
Description

N O T A P P L I C A B L E

Item Code No.
(ITC Code)

N O T A P P L I C A B L E

Product
Description

N O T A P P L I C A B L E

TATA INCORPORATED
(A Subsidiary Company)

Independent Auditors' Report

To the Board of Directors
TATA INCORPORATED
NEW YORK, NEW YORK

We have audited the accompanying balance sheets of Tata Incorporated as of March 31, 1998 and 1997, and the related statements of income, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance

about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tata Incorporated as of March 31, 1998 and 1997 and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

APRIL 27, 1998

DEFINO & D'ELIA
NEW YORK

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TATA INCORPORATED**Balance Sheets March 31, 1998 and 1997****ASSETS****Current Assets :**

Cash and cash equivalents, including time deposits of

\$ 2,100,000 in 1998 and \$ nil in 1997 (Note 9)

Accounts Receivable

Inventory

Prepaid and Other Current Assets (Note 6)

Total Current Assets

Furniture, Fixtures and Equipment

Less : Accumulated Depreciation

Investment In affiliate (Note 4)

Due from Officer (Note 5)

Other Assets (Note 7)

Total Assets

1998		1997	
US \$	Rs.*	US \$	Rs.**
2,268,721	8,96,93,885	291,593	1,04,78,394
12,096,584	47,82,38,448	7,291,134	26,20,06,900
310,181	1,22,63,006	—	—
2,225	87,965	209,887	75,42,289
14,677,711	58,02,83,304	7,792,614	28,00,27,583
131,644	52,04,546	126,190	45,34,638
131,644	52,04,546	119,230	42,84,530
—	—	6,960	2,50,108
246,167	97,32,212	—	—
39,401	15,57,719	47,700	17,14,100
36,030	14,24,446	36,030	12,94,738
14,999,309	59,29,97,681	7,883,304	28,32,86,529

LIABILITIES AND SHAREHOLDER'S EQUITY**Current Liabilities :**

Bank loans (Note 8)

Accounts payable and accrued expenses

Income taxes payable

Total Current Liabilities

Commitments (Notes 3, 8 and 10)

Shareholder's Equity :Common stock, \$1,000 par value;
authorised, issued and outstanding

100 shares

Paid in Capital

Retained Earnings

Total Shareholder's Equity

Total Liabilities & Shareholder's Equity

1998		1997	
US \$	Rs.*	US \$	Rs.**
—	—	—	—
8,112,469	32,07,26,462	2,356,621	8,46,85,175
169,500	67,01,182	15,000	5,39,025
8,281,969	32,74,27,644	2,371,621	8,52,24,200
100,000	39,53,500	100,000	35,93,500
1,400,000	5,53,49,000	1,400,000	5,03,09,000
5,217,340	20,62,67,537	4,011,683	14,41,59,829
6,717,340	26,55,70,037	5,511,683	19,80,62,329
14,999,309	59,29,97,681	7,883,304	28,32,86,529

* The rupee equivalent of US \$ has been given at the average exchange rate as on 31st March, 1998 (US\$ 1.00 = Rs. 39.535)

** The rupee equivalent of US \$ has been given at the average exchange rate as on 31st March, 1997 (US\$ 1.00 = Rs. 35.935)

See notes to financial statements

Statements of Operations and Retained Earnings years ended March 31, 1998 and 1997

	1998		1997	
	US \$	Rs.*	US \$	Rs.**
OPERATING REVENUE :				
Sales	130,745,970	516,90,41,924	151,380,608	543,98,62,148
Commissions (Note 2)	1,263,159	4,99,38,991	1,350,979	4,85,47,430
Interest and other income	378,061	1,49,46,642	415,917	1,49,45,978
Equity in earnings of affiliate (Note 4)	25,359	10,02,568	—	—
	<u>132,412,549</u>	<u>523,49,30,125</u>	<u>153,147,504</u>	<u>550,33,55,556</u>
OPERATING COSTS AND EXPENSES :				
Cost of Sales	128,882,847	509,53,83,356	149,432,931	536,98,72,375
Selling, General and Administrative	1,220,735	4,82,61,758	1,256,965	4,51,69,037
Interest	86,796	34,31,481	113,500	40,78,623
Depreciation	12,414	4,90,787	39,389	14,15,444
Loss on sale of property (Note 12)	—	—	973,824	3,49,94,365
	<u>130,202,792</u>	<u>514,75,67,382</u>	<u>151,816,609</u>	<u>545,55,29,844</u>
Income before income taxes	2,209,757	8,73,62,743	1,330,895	4,78,25,712
Income taxes (Note 13)	904,100	3,57,43,594	548,512	1,97,10,779
Net Income	<u>1,305,657</u>	<u>5,16,19,149</u>	<u>782,383</u>	<u>2,81,14,933</u>
Retained earnings, beginning	4,011,683	15,86,01,888	3,329,300	11,96,38,396
Dividends	(100,000)	(39,53,500)	(100,000)	(35,93,500)
Retained earnings, ending	<u>5,217,340</u>	<u>20,62,67,537</u>	<u>4,011,683</u>	<u>14,41,59,829</u>

* The rupee equivalent of US \$ has been given at the average exchange rate as on 31st March, 1998 (US\$ 1.00 = Rs. 39.535)

** The rupee equivalent of US \$ has been given at the average exchange rate as on 31st March, 1997 (US\$ 1.00 = Rs. 35.935)

See notes to financial statements

Statements of Cash Flows years ended March 31, 1998 and 1997

	1998		1997	
	US \$	Rs.*	US \$	Rs.**
Cash flows from operating activities :				
Net Income	1,305,657	5,16,19,149	782,383	2,81,14,933
Adjustments to reconcile net income to net cash provided by operating activities :				
Depreciation and amortization	12,414	4,90,787	39,389	14,15,444
Changes in operating assets & liabilities :				
Accounts receivable	(4,805,450)	(18,99,83,466)	8,559,105	30,75,71,438
Inventory	(310,181)	(1,22,63,006)	—	—
Prepaid and other current assets	207,662	82,09,917	(200,183)	(71,93,576)
Due from officers	8,299	3,28,101	10,744	3,86,086
Income taxes payable	154,500	61,08,158	(206,283)	(74,12,780)
Accounts payable and accrued expenses	5,755,848	22,75,57,451	(9,483,124)	(34,07,76,061)
Net cash (used in) provided by operating activities	<u>2,328,749</u>	<u>9,20,67,091</u>	<u>(497,969)</u>	<u>(1,78,94,516)</u>
Cash (used in) provided by investing activities :				
Purchases of property and equipment	(5,454)	(2,15,624)	(7,763)	(2,78,963)
Sale of property, furniture and fixtures	—	—	2,119,029	7,61,47,307
Other assets	—	—	132,970	47,78,277
Investment in affiliate	(246,167)	(97,32,212)	—	—
Net cash (used in) provided by investing activities	<u>(251,621)</u>	<u>(99,47,836)</u>	<u>2,244,236</u>	<u>8,06,46,621</u>
Cash (used in) provided by financing activities :				
Dividends paid	(100,000)	(39,53,500)	(100,000)	(35,93,500)
Bank loans	—	—	(3,817,506)	(13,71,82,078)
Net cash (used in) financing activities	<u>(100,000)</u>	<u>(39,53,500)</u>	<u>(3,917,506)</u>	<u>(14,07,75,578)</u>
Net increase (decrease) in cash and cash equivalents	<u>1,977,128</u>	<u>7,81,65,755</u>	<u>(2,171,239)</u>	<u>(7,80,23,473)</u>
Cash and cash equivalents, beginning of year	<u>291,593</u>	<u>1,15,28,128</u>	<u>2,462,832</u>	<u>8,85,01,867</u>
Cash and cash equivalents, end of year	<u>2,268,721</u>	<u>8,96,93,884</u>	<u>291,593</u>	<u>1,04,78,394</u>

* The rupee equivalent of US \$ has been given at the average exchange rate as on 31st March, 1998 (US\$ 1.00 = Rs. 39.535)

** The rupee equivalent of US \$ has been given at the average exchange rate as on 31st March, 1997 (US\$ 1.00 = Rs. 35.935)

See notes to financial statements

TATA INCORPORATED**Notes to Financial Statements years ended March 31, 1998 and 1997****1. Summary of Significant Accounting Policies :****The Company :**

The Company is a wholly-owned subsidiary of The Tata Iron and Steel Company Limited (TISCO), an India-based Company.

Cash and Cash Equivalents :

For purposes of the statement of cash flows, cash and cash equivalents includes cash and time deposits with maturities of three months or less.

Inventory :

Inventory is stated at the lower of cost or market and primarily consists of bead wire in transit for sale in the near future.

Furniture, Fixtures and Equipment :

Furniture, fixtures and equipment are stated at cost. Depreciation is calculated using the straight line method over the estimated useful lives.

2. Related Party Transactions/Operations :

The Company represents the Tata group for the U.S., Canada and Latin American markets. The Company is also involved in purchasing and selling steel, ferro alloys, raw materials and parts and equipment, of which most of the operations are with its holding Company. The Company also handles all general and administrative activities relating to the buying and selling of these products, such as, financing and subsequent shipping, including insurance.

Sales to and commission income from the Tata group in fiscal 1998 and 1997, respectively, approximated \$96,000,000 and \$103,000,000 and \$865,000 and \$960,000 while accounts receivable and payable to the Tata group in fiscal 1998 and 1997, respectively, amounted to \$1,079,000 and \$750,000 and \$2,148,000 and \$433,000.

3. Pensions :

The Company pays certain pensions and recognizes the expense as payments are made. The total pension expense was \$9,000 in 1998 and 1997.

The Company also has a Simplified Employee Pension Plan. The total pension expense under this plan for the years ended March 31, 1998 and 1997 was \$40,675 and \$37,968 respectively.

4. Investment in Affiliate :

In June 1997, the Company purchased a 49% interest in TKM Overseas Transport Ltd. for \$240,565. This investment is accounted for using the equity method. During Fiscal 1998 the Company's share of earning of this affiliate was \$25,359, reduced by dividends received of \$19,757, resulting in an increase in investment equity of \$5,602.

5. Due from Officer :

At March 31, 1998 and 1997, the total amount of an installment loan receivable by the Company from an officer amounted to \$39,401 and \$47,700 respectively, at an annual interest rate of 6%.

6. Prepaid and Other Current Assets :

At March 31, 1997 the Company had prepaid a vendor approximately \$197,000 for merchandise to be shipped in May, 1997. This amount is included in prepaid and other current assets at March 31, 1997.

7. Other Assets :

In February 1996, an officer of the Company, with a loan outstanding, transferred to another company in the Tata group. At March 31, 1998 and 1997, this loan balance was \$36,030.

8. Bank Loans :

The Company entered into agreements with five banks where the banks will extend up to \$81,000,000 collectively, in trade finance and/or letters of credit. The interest rates vary from bank to bank based on the prime, libor and eurodollar rates in effect plus 0.50% to 0.60%. Security on the above consists of all assets of the Company. The agreements subject Tata Incorporated to certain restrictions and covenants.

At March 31, 1998 and 1997, the Company had no amount outstanding against these credit lines.

In addition to the above, the Company had commitments related to Letters of Credit approximating \$7,458,000 and \$24,187,000 at March 31, 1998 and 1997, respectively, where transactions had not yet been completed.

9. Concentrations :

Financial Instruments which potentially subject Tata Incorporated to a credit risk are cash accounts and time deposits with their banks which sometimes are in excess of FDIC insurance limits. These banks have strong credit ratings and therefore, management believes that risk to these items are minimal.

10. Commitments :

The Company entered into a lease agreement which expires on April 30, 2003. Under this agreement the Company is obligated for annual rents of \$165,440, exclusive of escalation charges.

As of March 31, 1997, the Company had one operating lease for office equipment. This lease requires payments of insurance and maintenance costs in addition to rental payments: Rent expense under this lease was \$1,283 and \$4,982 for the years ended March 31, 1998 and 1997 respectively. The lease expired during the year ended March 31, 1998.

11. Major and Foreign Customers :

For the years ended March 31, 1998 and 1997, the Company's Parent accounted for 73% and 68% of total sales, respectively.

In addition, sales to foreign countries amounted to 86% in 1998 and 98% in 1997. Asia accounted for all of the sales to foreign countries in 1998 and 1997.

12. Sale of Property :

On May 21, 1996 the Company executed an agreement to sell its interest in property located in London, England for \$1,122,538. The sale of this property and related furniture and fixtures, net of disposal costs, resulted in a loss of \$937,234.

13. Income Taxes :

The 1998 and 1997 tax provisions of \$904,100 and \$548,512, respectively, are shown net of prior year over accruals of \$13,400 in 1998 and \$6,488 in 1997.

Included in income tax expense and income taxes payable is \$2,500 of deferred income taxes which relate to the timing difference in financial statement reporting versus income tax reporting of the income in investment in affiliate under the equity method of accounting.

STEWARTS AND LLOYDS OF INDIA LIMITED

(A Subsidiary Company)

Directors' Report

To the Shareholders,

The Directors have great pleasure in presenting the Sixtieth Annual Report together with Audited Accounts of the Company for the year ended 31st March, 1998.

	1997-98 Rs. in Lakhs	1996-97 Rs. in Lakhs
Profit before interest, depreciation and taxes	175.29	175.70
Less : Interest	57.43	35.20
Depreciation	17.80	9.68
Profit before taxes	100.06	130.82
Less : Provision for taxes	10.51	16.88
Profit after taxes	89.55	113.94
Add: Profit brought forward from previous year	78.12	71.18
Add: Transfer from Investment Allowance Reserve	—	17.50
Disposable profit amount which the Directors have appropriated as under to :	167.67	202.62
(a) General Reserve	50.00	75.00
(b) Proposed Dividend	45.00	45.00
(c) Tax on Dividend distribution	4.50	4.50
Total	99.50	124.50
Leaving a balance to be carried forward	68.17	78.12

DIVIDEND

The Directors recommend payment of dividend @ 15% on the equity capital of the Company for the year ended 31st March, 1998, if approved by the Shareholders in the forthcoming Annual General Meeting.

RESERVES AND SURPLUS

The balance of Reserves and Surplus, as at 31st March, 1998, stands at Rs. 209.47 lakhs after making the appropriations indicated above.

TURNOVER

The turnover for the year 1997-98 has been Rs. 3561.72 lakhs against the previous year's turnover of Rs. 2269.83 lakhs registering an increase of 57%. Out of this turnover Rs. 1020.00 lakhs has been from Erection Services (previous year : Rs. 1085.49 lakhs) and balance Rs. 2541.72 lakhs (previous year : Rs. 1184.34 lakhs) from other businesses of the Company, viz. Industrial Pipework and Engineering & Procurement. The tonnage of Fabricated Pipework, Forged Fittings and other Accessories sold in 1997-98 was 535 tonnes compared to 551 tonnes sold in 1996-97.

PRODUCTION

Production of Fabricated Pipework, Forged Fittings and Accessories was 527 tonnes during the year (previous year : 474 tonnes) including 44.2 tonnes (previous year : 44 tonnes) of material supplied by the customers as free issue material for fabrication.

FIXED DEPOSIT

A sum of Rs. 25,000/- was due for repayment to 6 deposit holders as on 31st March, 1998 which has remained unclaimed as on the date of this report. Letters have been sent to these deposit holders seeking their instructions for disposal of overdue Fixed Deposits.

RIGHTS ISSUE

The performance of the Company for the year ended 31.3.98 vis-a-vis projections made in the Letter of Offer dated 28.4.94 for Rights Issue of Rs. 200 lakhs at par, is given below :

	Actuals 1997-98	Projections for 1997-98 as per Letter of Offer
		(Rs. in Lakhs)
Net Income	3561	3525
P B T	100	125
P A T	90	69
Dividend	15%	15%
EPS	Rs. 2.98	Rs. 2.30

As per Letter of Offer dated 28.4.94, for the Rights Issue of Rs. 200 lakhs, Rs. 83 lakhs was envisaged for replacement of specific plant and machinery. The Company has already utilised Rs. 10.77 lakhs towards procurement of these plant and machinery during the year 1997-98. It is proposed to utilise the balance amount towards procurement of general plant and machinery which are required by the Company.

CONSERVATION OF ENERGY

With continuing efforts, the consumption of fuel oil has been controlled and consumption of Oxy-acetylene and Oxygen gases have been significantly reduced.

The disclosures required in Form A of Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

TECHNOLOGY ABSORPTION

As a consequence of continuing efforts of the Company towards upgradation of technology, the Company has had no occasion to import any technology during the last eight years. R & D activities are being directed mainly towards expanding the product range and fabrication and erection of special materials.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Exports	Nil
Foreign Exchange utilised for Purchase of Materials	Rs. 206.42 lakhs
Expenditure in Foreign Currency	Rs. 5.35 lakhs
Foreign Exchange earned	Nil

CHAIRMAN

Mr. K. C. Mehra, in view of his pressing commitments has relinquished the charge of Chairmanship of the Board and stepped down from the Board. The members of the Board have placed on record their deep appreciation for the valuable guidance and stewardship provided by Mr. Mehra as Chairman of the Company.

Mr. S. K. Mukherjee was appointed as a Director of the Company in the casual vacancy caused by the resignation of Mr. Ishaat Hussain in the Board Meeting held on 23rd August, 1997.

Mr. Mukherjee was elected as the Chairman of the Board in the Board Meeting held on 25th October, 1997.

MANAGEMENT

Mr. Santosh K. Gupta has relinquished the charge of Managing Directorship of the Company w.e.f. 1st October, 1997. The Directors have placed on record their deep appreciation of the services rendered by Mr. Gupta particularly in helping in the turnaround of the Company. Mr. Gupta joined the Board on 25th October, 1997 as an Additional Director.

Mr. Utpal Dhar, who was appointed as Joint Managing Director with effect from 1st April, 1997 assumed the office of the Managing Director with effect from 1st October, 1997.

DIRECTORS

Mr. S. A. Hasan, Mr. R. P. Tyagi and Mr. R. Sankaran, Directors of the Company, retire by rotation and being eligible, have expressed their willingness to be reappointed.

PERSONNEL

The Board of Directors wishes to express its appreciation to all the employees of the Company for their contribution to the operations of the Company during the year.

The Company maintained reasonably satisfactory industrial relations during the year. As required under Section 217 (2A) of the Companies Act, 1956 and the rules framed thereunder as amended to date, a statement showing particulars of employees is appended at the end of this report.

AUDITORS

The retiring Auditors, Price Waterhouse being eligible have expressed their willingness to be reappointed.

For and on behalf of the Board

S. K. MUKHERJEE
Chairman

Calcutta, 11th May, 1998.

Statement of Particulars of Employees forming part of the Directors' Report for the year ended 31st March, 1998 pursuant to Section 217 (2A) of the Companies Act, 1956 and the rules framed thereunder

Name and Age	: Mr. Utpal Dhar (56)
Designation/Nature of Duties	: Managing Director
Remuneration	: Rs. 8,07,464
Qualification	: B.Sc. Engg. (Mech), PGDBM I&S, FIE
Date of Commencement of Employment and Total Experience (Years)	: 1.4.97 (34)
Last Employment with and Post held	: Jamshedpur Power Co. Ltd., Managing Director
Name and Age	: Mr. P. Garg (59)
Designation/Nature of Duties	: President
Remuneration	: Rs. 3,68,299*
Qualification	: BE (Hons), ME, FIE, CE
Date of Commencement of Employment and Total Experience (Years)	: 2.4.96 (37)
Last Employment with and Post held	: Maharashtra Electrosmeit Ltd. (A Subsidiary of SAIL), Managing Director
Name and Age	: Mr. Santosh K. Gupta (51)
Designation/Nature of Duties	: Managing Director
Remuneration	: Rs. 3,97,753
Qualification	: BE (Hons) Mech., Graduate Trainee
Date of Commencement of Employment and Total Experience (Years)	: 1.9.93 (30)
Last Employment with and Post held	: The Tata Iron and Steel Co. Ltd. Bearing Division, (Asst. General Manager)

- Notes :
1. Appointments are contractual.
 2. Remuneration comprises salary, allowances, value of perquisites and Company's contribution to Provident, Pension and Gratuity Funds.
 3. Excluding contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.
 4. None of the employees mentioned above is a relative of any Director of the Company and they do not come under the purview of Section 217(2A)(a)(iii) of the Companies Act, 1956.

For and on behalf of the Board

S. K. MUKHERJEE
Chairman

Calcutta, 11th May, 1998.



STEWARTS AND LLOYDS OF INDIA LIMITED

Auditors' Report

To The Members of
Stewarts and Lloyds of India Limited

We report that we have audited the Balance Sheet of **STEWARTS AND LLOYDS OF INDIA LIMITED** as at 31st March, 1998, signed by us under reference to this report, and the relative Profit and Loss Account for the year ended on that date, which are in agreement with the books of account.

In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account together with the notes thereon and attached thereto, give in the prescribed manner the information required by the Companies Act, 1956 and also give subject to note 17.7 on Schedule 17 regarding Director's remuneration awaiting Shareholders' approval, respectively a true and fair view of the state of the Company's affairs as at 31st March, 1998 and its profit for the year ended on that date.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as appears from our examination of the books.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1986, dated 7th September, 1988 and issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company have been physically verified during the year by the management and no serious discrepancies between the book records and the physical inventory have been noticed.
- (ii) The fixed assets of the Company have not been revalued during the year.
- (iii) The stocks of finished goods, stores, spare parts, loose tools and raw materials in hand of the Company at all its locations have been physically verified by the management during the year/at the year-end.
- (iv) In our opinion, the procedures of physical verification of stocks followed by the management are generally reasonable and adequate in relation to the size of the Company and the nature of its business.
- (v) The discrepancies between the physical stocks and the book stocks, which were not material, have been properly dealt with in the books of account.
- (vi) In our opinion, the valuation of stocks of finished goods, stores, spare parts, loose tools and raw materials has been fair and proper in accordance with the normally accepted accounting principles and read with note 17.8 on Schedule 17 regarding non-inclusion of excise duty in stock valuation is on the same basis as in the earlier years.
- (vii) The Company has not taken any loans, secured or unsecured, during the year, from companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
- (viii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or to companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
- (ix) Interest free loans and advances in the nature of loans given to the employees are being repaid regularly as stipulated.
- (x) In our opinion, internal control procedures of the Company relating to purchase of stores, raw materials including components, plant and machinery, equipment and

other similar assets and for the sale of goods are generally adequate, with the size and the nature of the business of the Company.

- (xi) The Company has purchased goods and materials and sold goods, materials and services aggregating Rs. 50,000/- or more in value in pursuance of contracts/arrangements with a party listed in the register maintained under Section 301 of the Companies Act, 1956, prices of which are reasonable and comparable with those of other parties.
- (xii) The Company has a system of determining unserviceable or damaged stores, raw materials or finished goods at all its locations during the course of their physical verification and on such basis, in our opinion, adequate amounts have been written off such stocks in the accounts.
- (xiii) In the case of public deposits received by the Company, the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder have been complied with.
- (xiv) In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scrap, where applicable and significant. The Company has no by-products.
- (xv) In our opinion, the internal audit system is generally commensurate with the size and nature of the business of the Company.
- (xvi) The Central Government has not prescribed the maintenance of cost records by the Company under Section 209(1)(d) of the Companies Act, 1956, for any of its products.
- (xvii) The Company has generally been regular in depositing, during the year, Provident Fund and Employees' State Insurance dues with the appropriate authorities.
- (xviii) As at 31st March, 1998, there were no amounts outstanding in respect of undisputed income-tax, wealth tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.
- (xix) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses other than those paid under contractual obligations and/or usual business practices which have been charged to Profit and Loss Account, nor have we been informed of any such case by the management.
- (xx) The Company is not a sick industrial company within the meaning of Clause 'o' of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xxi) There was no trading (procurement) stock as on 31st March, 1998.
- (xxii) In respect of services rendered, in our opinion, the Company has a reasonable system, commensurate with its size and the nature of its business, of (a) recording receipts, issues and consumption of materials and stores and the allocation of consumption to jobs and (b) allocating man-hours utilised to jobs, where applicable. In our opinion, the Company has a reasonable system of authorisation at proper levels with necessary controls on the issue of stores and allocation thereof and of labour to jobs and the related system of internal control of the Company is commensurate with the size of the Company and the nature of its business.

P. K. NANDY
Partner

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Calcutta, 11th May, 1998.

STEWARTS AND LLOYDS OF INDIA LIMITED

Balance Sheet
as at 31st March, 1998

	Schedule	31st March, 1998 Rs.	31st March, 1997 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	3,00,00,000	3,00,00,000
Reserves & Surplus	2	2,09,47,345	1,69,42,238
		<u>5,09,47,345</u>	<u>4,69,42,238</u>
Loan Funds	3		
Secured Loans		2,62,34,389	2,36,19,770
Unsecured Loans		64,696	65,382
		<u>2,62,99,085</u>	<u>2,36,85,152</u>
TOTAL		<u>7,72,46,430</u>	<u>7,06,27,390</u>
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		4,85,19,840	4,57,02,126
Less : Depreciation		3,79,72,900	3,73,68,429
Net Block		<u>1,05,46,940</u>	<u>83,33,697</u>
Investments	5	5,002	5,002
Current Assets, Loans and Advances			
Inventories	6	3,44,74,583	3,30,43,579
Sundry Debtors	7	19,66,80,723	13,98,91,231
Cash and Bank Balances	8	1,69,23,867	1,89,87,330
Other Current Assets	9	23,54,485	23,47,860
Loans and Advances	10	1,72,57,517	1,76,22,035
		<u>26,76,91,175</u>	<u>21,18,92,035</u>
Less : Current Liabilities and Provisions	11	20,29,60,554	15,29,74,505
Net Current Assets		<u>6,47,30,621</u>	<u>5,89,17,530</u>
Miscellaneous Expenditure (To the extent not written off or adjusted) ..	12	19,63,867	33,71,161
TOTAL		<u>7,72,46,430</u>	<u>7,06,27,390</u>
Notes to Accounts	17		

Profit and Loss Account
for the year ended 31st March, 1998

	Schedule	31st March, 1998 Rs.	31st March, 1997 Rs.
EARNINGS			
Sales	13	35,61,72,241	22,69,82,927
Other Income	14	19,29,957	11,80,838
		<u>35,81,02,198</u>	<u>22,81,63,765</u>
OUTGOINGS			
Operation and other expenses	15	33,91,66,179	20,91,86,361
Depreciation		17,79,706	9,68,287
Interest	16	57,42,912	35,20,179
Miscellaneous Expenditure		14,07,294	14,07,294
(Refer Schedule 12)			
		<u>34,80,96,091</u>	<u>21,50,82,121</u>
Profit before Taxation		<u>1,00,06,107</u>	<u>1,30,81,644</u>
Provision for Taxation		10,51,000	16,87,532
Profit after Taxation		<u>89,55,107</u>	<u>1,13,94,112</u>
Investment Allowance Reserve written back ...		—	17,50,000
PROFIT BROUGHT FORWARD			
FROM LAST YEAR		78,11,867	71,17,755
PROFIT AVAILABLE FOR APPROPRIATION		<u>1,67,66,974</u>	<u>2,02,61,867</u>
APPROPRIATIONS:			
Proposed Dividend	45,00,000		
Tax thereon	4,50,000		
		<u>49,50,000</u>	<u>49,50,000</u>
Transfer to General Reserve		50,00,000	75,00,000
BALANCE CARRIED FORWARD	2	<u>68,16,974</u>	<u>78,11,867</u>
		<u>1,67,66,974</u>	<u>2,02,61,867</u>
Notes to Accounts	17		

The Schedules referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date.

P. K. NANDY
Partner

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

S. DATTA
Company Secretary

Calcutta, 11th May, 1998.

S. K. MUKHERJEE Chairman

UTPAL DHAR Managing Director

The Schedules referred to above form an integral part of the Profit & Loss Account

P. K. NANDY
Partner

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

S. DATTA
Company Secretary

Calcutta, 11th May, 1998.

S. K. MUKHERJEE Chairman

UTPAL DHAR Managing Director

STEWARTS AND LLOYDS OF INDIA LIMITED

Schedules forming part of the Balance Sheet

1. SHARE CAPITAL :

Authorised

1,00,00,000 Equity Shares of Rs. 10 each

Issued and Subscribed

30,00,000 Equity Shares of Rs. 10 each

31st March, 1998 Rs.	31st March, 1997 Rs.
10,00,00,000	10,00,00,000
3,00,00,000	3,00,00,000

Of the above Shares

- (i) 1,992 (1997 - 1,992) shares were issued for consideration other than cash pursuant to a contract.
- (ii) 6,38,450 (1997 - 6,38,450) shares were issued as Bonus shares by capitalisation of General Reserve and Share Premium.
- (iii) 2,99,925 (1997 - 2,99,925) and 13,47,075 (1997 - 13,47,075) shares are held by the holding Company and its subsidiaries respectively.

2. RESERVES AND SURPLUS :

	Balance 31st March, 1997 Rs.	Added during the year Rs.	Deducted during the year Rs.	Balance 31st March, 1998 Rs.
A. Reserves				
Capital Reserve	4,16,401	—	—	4,16,401
Share Premium	12,13,970	—	—	12,13,970
General Reserve	75,00,000	50,00,000	—	1,25,00,000
	91,30,371	50,00,000	—	1,41,30,371
B. Surplus				
Profit & Loss Account	78,11,867	68,16,974	78,11,867	68,16,974
TOTAL	1,69,42,238	1,18,16,974	78,11,867	2,09,47,345

* Transfer to Profit and Loss Account

3. LOAN FUNDS :

Secured Loans

Banks :

ANZ Grindlays Bank

Bank of Baroda

State Bank of India

Secured by a charge created on all stocks (including in-process), Raw Materials, Stores, Book Debts (both present and future), all moveable properties including moveable Plant & Machinery, Equipment and Appliances and ranks *pari passu* at the point of security.

Unsecured Loans

Interest accrued and due on Fixed Deposits

31st March, 1998 Rs.	31st March, 1997 Rs.
1,31,53,073	62,11,913
62,81,081	41,02,142
68,80,235	1,33,05,715
2,62,34,389	2,36,19,770
64,896	65,382
64,896	65,382

STEWARTS AND LLOYDS OF INDIA LIMITED

Schedules forming part of the Balance Sheet

4. FIXED ASSETS :

	Gross Block at Cost				Depreciation				Net Block	
	As at 31st March, 1997 Rs.	Addition Rs.	Deduction/ Adjustment Rs.	As at 31st March, 1998 Rs.	As at 31st March, 1997 Rs.	For the year Rs.	Deduction/ Adjustment Rs.	As at 31st March, 1998 Rs.	As at 31st March, 1998 Rs.	As at 31st March, 1997 Rs.
Leasehold Land	1,74,300	—	—	1,74,300	54,125	1,835	—	55,960	1,18,340	1,20,175
Freehold Land	3,49,330	—	—	3,49,330	—	—	—	—	3,49,330	3,49,330
Buildings	80,32,476	15,99,828	—	96,32,304	60,75,989	1,70,083	—	62,46,072	33,86,232	19,56,487
Plant and Machinery	2,83,78,356	14,76,833	10,72,708	2,87,82,281	2,56,01,890	7,71,471	10,49,262	2,53,24,099	34,58,182	27,76,466
Furniture, Fixtures and Office Equipment	35,03,164	3,07,314	1,03,432	37,07,046	21,54,388	3,20,469	23,104	24,51,753	12,55,293	13,48,776
Electrical Equipment and Installation	12,52,352	1,52,272	18,000	13,86,624	9,84,302	1,14,188	1,252	10,97,238	2,89,386	2,68,050
Air-Conditioning Plant	7,69,390	75,048	77,334	7,67,104	2,07,313	85,360	76,370	2,16,303	5,50,801	5,62,077
Vehicles	32,42,758	5,03,380	25,287	37,20,851	22,90,422	3,16,300	25,247	25,81,475	11,39,376	9,52,336
Total	4,57,02,128	41,14,475	12,96,761	4,85,19,840	3,73,68,429	17,79,706	11,75,235	3,79,72,900	1,05,46,940	83,33,697
<i>Previous Year</i>	<i>4,14,12,793</i>	<i>50,47,516</i>	<i>7,58,183</i>	<i>4,57,02,126</i>	<i>3,71,33,784</i>	<i>9,68,287</i>	<i>7,33,642</i>	<i>3,73,68,429</i>	<i>83,33,697</i>	<i>—</i>

5. INVESTMENTS (LONG TERM) - UNQUOTED :

Other than Trade

At Cost :

4 Nos. 6 1/2% Registered Debentures 1962 of Rs. 1000 each - The Bengal Chamber of Commerce and Industry	4,000	4,000
National Savings Certificate (Lodged as Security Deposit) (Matured but not encashed)	1,000	1,000

At written down value :

Rs. 7000, 5% Non-redeemable Registered Mortgage Debenture Stock 1957 - The East India Clinic Limited	1	1
33 Nos. 1/2% Debentures of Rs. 100 each - The East India Clinic Limited	1	1
	5,002	5,002

6. INVENTORIES :

At lower of cost and estimated net realisable value

Stores and Spare Parts	4,95,850	4,48,218
Loose Tools	1,01,664	96,091
Raw Materials	29,03,663	39,23,367
Work-in-process (Fabrication)	8,82,953	11,70,920
Work-in-progress (Erection)	11,68,68,509	5,95,43,022
Less : Amount billed in advance	8,83,19,899	3,43,79,520
	2,85,48,610	2,51,63,502
Miscellaneous Finished Products (Note 17.8 on Schedule 17)	15,41,843	22,41,481
	3,44,74,583	3,30,43,579

7. SUNDRY DEBTORS :

Unsecured

Debts outstanding for a period exceeding six months -

Considered Good	6,88,12,658	3,93,63,988
Considered Doubtful	59,25,736	51,80,788
	7,47,38,394	4,45,44,776
Less : Provision	59,25,736	51,80,788
	6,88,12,658	3,93,63,988

Other Debts - Considered Good

	12,78,68,085	10,05,27,243
	19,66,80,723	13,98,91,231
Amount due by a Company under the same management Tata Material Handling Systems Ltd.	25,00,000	25,00,000

STEWARTS AND LLOYDS OF INDIA LIMITED

Schedules forming part of the Balance Sheet

8. CASH AND BANK BALANCES :		31st March, 1998 Rs.	31st March, 1997 Rs.
Cash and Stamps		2,70,044	2,96,516
Cheques in Hand		69,19,574	59,96,382
Remittance in transit		1,53,000	—
With Scheduled Banks :			
Balance of unutilised monies raised by Rights Issue		72,23,672	83,00,000
Current Account		20,27,101	40,93,607
Margin Money Account		3,00,000	3,00,000
Unpaid Dividend Account		29,651	—
Savings Account (Employees' Deposit Account)		825	825
		<u>1,69,23,667</u>	<u>1,89,87,330</u>
9. OTHER CURRENT ASSETS, UNSECURED :		31st March, 1998 Rs.	31st March, 1997 Rs.
Considered good			
Tender and Security Deposits etc. (Note 17.9 on Schedule 17)		18,17,383	17,69,759
Balance with Customs, Port Trust and Excise Duty etc. refundable on demand		31,660	13,177
Prepaid Expenses		5,05,442	5,64,924
		<u>23,54,485</u>	<u>23,47,860</u>
10. LOANS AND ADVANCES, UNSECURED :		31st March, 1998 Rs.	31st March, 1997 Rs.
Considered good			
Advances recoverable in cash or in kind or for value to be received (Note 17.9 on Schedule 17)		1,44,99,575	1,52,58,122
Tax payments and tax deducted at source less provision for taxation		27,57,942	23,63,913
		<u>1,72,57,517</u>	<u>1,76,22,035</u>
11. LIABILITIES AND PROVISIONS :		31st March, 1998 Rs.	31st March, 1997 Rs.
(a) Liabilities			
Sundry Creditors		14,70,24,581	10,53,77,628
Advance Payments		2,80,44,258	2,43,99,229
Other Liabilities		66,86,890	57,42,823
Security Deposits :			
Employees		825	825
Others		1,57,54,000	1,25,04,000
		<u>1,57,54,825</u>	<u>1,25,04,825</u>
(b) Provision			
Proposed Dividend		45,00,000	45,00,000
Tax thereon		4,50,000	4,50,000
		<u>49,50,000</u>	<u>49,50,000</u>
Future Expenses on Erection contract		5,00,000	—
		<u>20,29,60,554</u>	<u>15,29,74,505</u>
12. MISCELLANEOUS EXPENDITURE - NON-RECURRING :		31st March, 1998 Rs.	31st March, 1997 Rs.
(To the extent not written off or adjusted)			
Payment under Voluntary Retirement Scheme		31,78,837	44,89,969
Rights Issue Expenses		1,92,324	2,88,486
		<u>33,71,161</u>	<u>47,78,455</u>
Less : Amortised during the year		14,07,294	14,07,294
		<u>19,63,867</u>	<u>33,71,161</u>
		<u>19,63,867</u>	<u>33,71,161</u>

Schedules forming part of the Profit and Loss Account

	1997-98 Rs.	1996-97 Rs.
13. SALES :		
Erection Services	10,20,00,176	10,85,48,526
Other Sales (Industrial Pipework, Engineering and Procurement etc.)	25,41,72,065	11,84,34,401
See Note 17.10 on Schedule 17		
	35,61,72,241	22,69,82,927
14. OTHER INCOME :		
Interest	4,19,214	2,63,091
Rent Received	42,000	42,000
Profit on Sale of Fixed Assets	14,68,743	4,22,523
Miscellaneous (Sale of Scrap)	—	4,53,224
	19,29,957	11,80,838
15. OPERATING COSTS :		
Material Consumed		
Opening Stock	39,23,367	84,85,254
Add: Purchases	19,31,22,849	6,58,07,355
	19,70,46,216	7,42,92,609
Less: Closing Stock	29,03,663	39,23,367
	19,41,42,553	7,03,69,242
Expenses -		
Advertising	5,67,986	2,62,979
Auditors' Remuneration :		
Audit Fees (including out-of-pocket expenses Rs. 15,602)	1,65,602	1,35,443
Other Services	55,500	2,85,500
Bank Charges	38,80,286	33,65,356
Commission to Selling Agents	7,70,223	13,05,541
Consumption of Stores and Tools	1,21,51,601	1,28,96,875
Delivery and forwarding Charges	19,93,993	26,94,910
Directors' Fees and Remuneration :		
Fees	1,12,000	63,000
Other Emoluments (excluding Rs. 4,99,809; 1996-97 : Rs. 2,72,741 debited to related heads of account)	7,28,630	4,18,500
Freight and other transportation charges of erection stores, tools etc.	4,67,973	5,62,374
Insurance	9,03,389	5,76,658
Lease Rent	2,420	4,40,072
Motor Vehicles Expenses	15,99,452	11,44,502
Power and Fuel	49,94,391	51,19,527
Provident Fund Contribution	17,04,533	14,77,702
Rates and Taxes	1,88,265	2,34,337
Rent	53,15,916	52,20,318
Repairs (excluding wages)		
Buildings	8,78,235	2,80,199
Machinery	26,76,373	32,12,707
Salaries, Wages and Bonus etc.	2,90,67,040	2,60,39,203
(Including provision for retiral leave salary encashment Rs.1,94,840 ; 1996-97 : Rs. 1,36,639)		
Staff Pension and Life Assurance Scheme	3,63,016	2,46,297
Stamps, Telephone, Cablegram and Telegram	34,17,385	28,23,684
Stationery and Printing	8,33,974	6,46,326
Sub-Contractors' Charges	10,37,81,440	6,99,66,188
Temporary Accommodation of Employees at Erection Sites	3,53,085	4,55,085
Travelling Expenses	61,43,569	53,27,326
Workmen and Staff Welfare Expenses	22,33,718	23,77,079
Workmen's Insurance	6,13,447	4,30,979
Retirement Gratuity	16,39,607	11,38,941
Provision for Doubtful Debts	7,44,948	4,06,809
Provision for future expenses on Erection contract	5,00,000	—
Miscellaneous (Net) [Including Rs. 2,00,000 (1996-97 : Rs. Nil) being the contribution to the Electoral Trust Fund formed by Tata Sons Ltd.]	1,25,13,511	1,11,09,982
	39,55,04,061	23,10,33,621
(Increase)/ Decrease		
Work-in-progress (Erection)	(5,73,25,487)	(2,62,27,506)
Work-in-process (Fabrication)	2,87,967	25,71,470
Finished Products	6,99,638	18,08,776
	(5,63,37,882)	(2,18,47,260)
	38,91,66,179	20,91,86,361
16. INTEREST :		
On Secured Loans	37,77,481	16,50,457
On Others	19,65,431	18,69,722
	57,42,912	35,20,179

Schedules forming part of the Balance Sheet and Profit and Loss Account

17. NOTES TO ACCOUNTS :

17.1 Significant Accounting Policies :

- (a) **Fixed Assets** : Fixed Assets are stated at cost of acquisition and related expenditure. Depreciation is provided on written down value method at the rates which are in conformity with the requirements of the Companies Act, 1956. Leasehold land is amortised over the period of lease.
- (b) **Inventories** : Inventories, other than materials in transit, are valued at the lower of cost and estimated net realisable value. The costs are, in general, determined under "First in First out" formula. Materials in transit are valued at cost.
- (c) **Profit on Long Term Erection Contracts** : Profit on long term erection contracts are recognised on completed contract method and profit on these jobs are recognised on completion thereof. Escalation and other claims in respect of these completed contracts are accounted for on their acceptance by the customers. Adequate provision for foreseeable losses are made in the accounts.
- (d) **Retirement Benefits** : Retirement Benefits are provided for in the books of account and payments are made to the Trustees of the Company's Provident Fund and concerned authorities on the basis of actuarial valuation, where appropriate. The Funds are administered by independent Board of Trustees. In line with related guidelines of The Institute of Chartered Accountants of India, provision is also made for leave encashment benefit on retirement, based on year-end leave balance (as per related rules of the Company).
- (e) **Contractual Leave Wages** : Contractual Leave Wages are provided for listed and temporary erection employees in terms of the related agreement and with reference to the leave to the credit of the employees at the end of the accounting year.
- (f) **Transactions in Foreign Currency** : Transactions in Foreign Currency at the Balance Sheet date are accounted for at the contracted rate when covered by forward contracts and at exchange rates prevailing on the Balance Sheet date in the case of others. Exchange differences are dealt with in the Profit and Loss Account, except those relating to acquisition of Fixed Assets which are adjusted in the cost of the related Assets.
- (g) **Revenue** : Revenue is recognised on completion of erection contracts/sale of goods, rendering of services and/or use of Company's resources by third parties.
- (h) **Miscellaneous Expenditure** : Miscellaneous expenditure is amortised over their utility period.
- (i) **Contingencies** : Contingencies which can be reasonably ascertained are provided for if, in the opinion of the Company, there is a probability that the future outcome may be materially detrimental to the Company.
- (j) **Prior Period and Extraordinary Items** : Prior Period and Extraordinary Items and changes in accounting policies having material impact on the financial affairs of the Company have been disclosed.
- (k) **Material Events** : Material Events occurring after the Balance Sheet date are taken into cognizance.

17.2 Contingent Liabilities

- (a) Claims not acknowledged as debts :

(i)	Disputed Sales Tax
(ii)	Disputed Maintenance Cost — Calcutta Port Trust
(iii)	Sundry other matters for which court cases are pending
(iv)	Disputed Excise Duty
(b)	Disputed Income Tax under appeal
(c)	Fuel surcharge

31st March, 1998 (Rs. in lakhs)	31st March, 1997 (Rs. in lakhs)
33.14	41.91
1.25	1.25
9.55	8.95
61.69	—
71.12	71.12
Not ascertainable	—
176.75	123.23

17.3 Future commitment for Lease Rental Nil 0.02

17.4 Outstanding Bank Guarantees Rs. 1,113.22 lakhs (1997 : Rs. 995.05 lakhs) are secured by a charge created on assets as recited under Secured Loans (Schedule 3).

17.5 Estimated value of contracts on Capital Account remaining to be executed amount to Rs. 4.42 lakhs (1997 : Rs. 0.63 lakh).

17.6 Provision for tax has been made in these accounts after setting-off Minimum Alternate Tax (MAT) as per related provisions of the Income Tax Act, 1961.

17.7 Managerial Remuneration :

Managing Directors/Joint Managing Director's remuneration (including estimated cost of benefits Rs. 4,54,175 (1996-97 : Rs. 2,30,391) and provision for Leave Encashment Rs. 45,634 (1996-97 : Rs. 42,350); Ref : Schedule 17.1 (d).
 Fees to other Directors

1997-98 Rs.	1996-97 Rs.
12,28,439	6,91,241
1,12,000	63,000
13,40,439	7,54,241

Note : Appointment and/or remuneration of managing directors Rs. 4,37,640 (1996-97 : Rs. 65,800) await Shareholders' approval.

17.8 Excise duty is accounted for on clearance basis. Accordingly no provision has been made in these accounts amounting to Rs. 1.83 lakhs (1997 : Rs. 2.35 lakhs) approximately in respect of stocks awaiting clearance. This has no impact on profit for the year.

17.9 Other Current Assets and Advances include Rs. 7.50 lakhs (1996-97 : Rs. 7.57 lakhs) considered doubtful.

17.10 Quantitative information on Capacity and Production and analysis of other Sales :

	Licensed Capacity	Installed Capacity	Actual Production	Turnover				
				Quantity		Value		
	Tonnes 1997-98	Tonnes 1997-98	1997-98	Tonnes 1996-97	Tonnes 1997-98	1996-97	Rs. 1997-98	Rs. 1996-97
Industrial Pipework	11,440	9,850	527	474	535	551	4,36,03,531	4,58,77,972
Forged Flanges	700	300						
Engineering and Procurement						(Note 4)	21,00,65,749	7,17,48,078
Scrap					71	93	5,02,785	8,08,351
							25,41,72,065	11,84,34,401

STEWARTS AND LLOYDS OF INDIA LIMITED

Schedules forming part of the Balance Sheet and Profit and Loss Account

Notes :

1. Total Licensed and Installed capacities are the same as in 1996-97.
2. Installed capacities have been certified by the Managing Director.
3. The actual production tonnage of Industrial Pipework includes 44.20 MT of materials received from customers as free issue for fabrication and the sales tonnage of Industrial Pipework includes 44.20 MT of similar materials despatched to customers. However, the aforesaid productions and sales tonnages do not include the tonnage of materials supplied by customers for heat treatment since no fabrication work is done at all on such materials. Fabrication and heat treatment charges billed to customers are included in the sales value of Industrial Pipework.
4. As units shown in the sales bills relating to Engineering and Procurement are varied and heterogenous, quantity of turnover in respect of this category has not been shown, for which the Company has obtained necessary approval of the Central Government. Quantitative information for opening/closing stocks and purchases of these items also could not be furnished as it is not feasible for the reasons indicated above.

17.11 Raw Material Consumption :

	1997-98 Industrial Pipework		1997-98 Forged Flanges		1997-98 Procurement (Note 2)		1997-98 Total	
	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
Tubes	28,111 metres (49,534) metres	1,64,95,488 (Note - 1) (1,60,58,780)			1,02,516 metres (32,535) metres	4,94,03,371 (2,69,26,326)	1,30,627 metres (85,069) metres	6,58,98,859 (4,29,85,106)
Plates	7 M.T. (30 M.T.)	1,42,575 (5,34,691)			313 M.T. (33 M.T.)	49,68,436 (5,77,910)	320 M.T. (63 M.T.)	51,11,011 (11,12,801)
Billets	—	—	—	—	—	—	—	—
Valves	—	—	—	—	8,466 Nos.	3,69,34,729	8,466 Nos.	3,69,34,729
Miscellaneous	—	70,15,462 (81,212)	—	—	—	7,91,82,492 (2,61,90,323)	—	8,61,97,954 (2,62,71,535)
		2,36,53,525 (1,66,74,683)		— (—)		17,04,89,028 (5,36,94,559)		18,41,42,553 (7,03,69,242)

- Notes :
1. Includes cost of Tubes sold Rs. Nil (1996-97 : Rs. 20,23,979).
 2. Represents bought out items which ultimately used for erection services.
 3. Figures in parenthesis indicate corresponding figures of previous year.
 4. Miscellaneous items include items which individually do not constitute more than 10% of the total consumption.

17.12 Value of Imported and Indigenous Raw Materials consumption as a percentage of Total Consumption :

	1997-98		1996-97	
	Rs.	%	Rs.	%
Indigenous	16,38,78,621	84	6,87,14,952	98
Imported	3,02,63,932	16	16,54,290	2
Total	19,41,42,553	100	7,03,69,242	100

17.13 Consumption of Imported and Indigenous Stores, Tools, Spare Parts and Components as a percentage of Total Consumption :

	1997-98		1996-97	
	Rs.	%	Rs.	%
Indigenous	1,21,51,601	100	1,28,96,875	100
Imported	—	—	—	—
Total	1,21,51,601	—	1,28,96,875	100

17.14 Miscellaneous Expenses do not include items of expenses exceeding 1% of the total revenue of the Company.

17.15 (a) Value of Imports calculated on C.I.F. basis :

Raw Materials	
(b) Expenditure in Foreign Currency :	
Travelling	

1997-98	1996-97
Rs.	Rs.
2,06,41,691	—
5,35,133	5,49,516

STEWARTS AND LLOYDS OF INDIA LIMITED**Balance Sheet Abstract and Company's General Business Profile**

17.16 Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

I. Registration Details

Registration No.

					9	0	9	9
--	--	--	--	--	---	---	---	---

State Code

2	1
---	---

 (Refer Code List)

Balance Sheet Date

3	1	0	3	9	8
Date		Month		Year	

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

		N	I	L			
--	--	---	---	---	--	--	--

Bonus Issue

		N	I	L			
--	--	---	---	---	--	--	--

Rights Issue

		N	I	L			
--	--	---	---	---	--	--	--

Private Placement

		N	I	L			
--	--	---	---	---	--	--	--

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

0	0	0	2	8	0	2	0	7
---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

0	0	0	0	3	0	0	0	0
---	---	---	---	---	---	---	---	---

Secured Loans

0	0	0	0	2	6	2	3	4
---	---	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

0	0	0	0	1	0	5	4	7
---	---	---	---	---	---	---	---	---

Net Current Assets

0	0	0	0	6	4	7	3	0
---	---	---	---	---	---	---	---	---

Total Assets

0	0	0	2	8	0	2	0	7
---	---	---	---	---	---	---	---	---

Reserves & Surplus

0	0	0	0	2	0	9	4	7
---	---	---	---	---	---	---	---	---

Unsecured Loans

0	0	0	0	0	0	0	6	5
---	---	---	---	---	---	---	---	---

Investments

0	0	0	0	0	0	0	0	5
---	---	---	---	---	---	---	---	---

Misc. Expenditure

0	0	0	0	0	1	9	6	4
---	---	---	---	---	---	---	---	---

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

0	0	0	3	5	6	1	7	2
---	---	---	---	---	---	---	---	---

+/- Profit/Loss Before Tax

+	0	0	1	0	0	0	6
---	---	---	---	---	---	---	---

Earnings per Share in Rs.

				2	.	9	8
--	--	--	--	---	---	---	---

Total Expenditure

0	0	0	3	4	8	0	9	6
---	---	---	---	---	---	---	---	---

+/- Profit/(Loss) After Tax

+	0	0	0	8	9	5	5
---	---	---	---	---	---	---	---

Dividend @ %

						1	5
--	--	--	--	--	--	---	---

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Product Description

Item Code No. (ITC Code)

Butt Welding Fittings

7	3	0	7	9	3	.	0	0
---	---	---	---	---	---	---	---	---

Product Description

Item Code No. (ITC Code)

Superheater & Economiser Coils

8	4	0	4	0	0	.	0	0
---	---	---	---	---	---	---	---	---

Product Description

Item Code No. (ITC Code)

Pipe Work Fabrication & Erection

7	3	0	5	9	0	.	0	0
---	---	---	---	---	---	---	---	---

17.17 Previous year's figures have been re-arranged/regrouped, where necessary.

Signatures to Schedules 1 to 17

S. K. MUKHERJEE
ChairmanUTPAL DHAR
Managing DirectorS. DATTA
Company Secretary

Calcutta, 11th May, 1998.

STEWARTS AND LLOYDS OF INDIA LIMITED

Cash Flow Statement (prepared pursuant to Listing Agreement)

	For the Year ended 31st March, 1998 Rs.	Rs.	For the Year ended 31st March, 1997 Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and Extraordinary items :		1,00,06,107		1,30,81,644
Adjustments for —				
Assets write-off			606	
Provision for future expenses on Erection contract	5,00,000			
Depreciation	17,79,706		9,68,287	
Provision for Doubtful Debts	7,44,948		4,06,809	
Miscellaneous Expenditure — written off	14,07,294		14,07,294	
Profit on Sale of Fixed Assets	(14,68,743)		(4,22,523)	
Interest — shown separately	53,23,698		32,57,088	
Lease Rent — shown separately	2,420		4,40,072	
		82,89,323		60,57,633
Operating Profit before Working Capital Changes		1,82,95,430		1,91,39,277
Adjustments for —				
Trade and Other Receivables	(5,67,82,518)		(3,48,55,505)	
Inventories	(14,31,004)		(21,61,969)	
Trade Payable	5,04,93,664		2,78,73,051	
		(77,19,858)		(91,44,423)
Cash generated from Operations		1,05,75,572		99,94,854
Interest paid	(57,43,598)		(35,20,179)	
Tax Paid (net of tax deducted at source)	(14,45,029)		(14,65,100)	
		(71,88,627)		(49,85,279)
Cash Flow before Extraordinary Items		33,86,945		50,09,575
Extraordinary items		—		(94,860)
Net Cash from Operating Activities		33,86,945		49,14,715
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(51,51,741)		(39,07,737)	
Sale of Fixed Assets	15,90,269		4,46,458	
Interest Received	4,19,214		2,63,091	
Net Cash used in Investing Activities		(31,42,258)		(31,98,188)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :				
Proceeds from Long Term Borrowings	25,14,619		59,85,976	
Repayment of Finance Lease Liabilities	(2,420)		(4,40,072)	
Dividend Paid	(49,20,349)		—	
Net Cash used in Financing Activities		(23,08,150)		55,45,904
NET CHANGES IN CASH AND CASH EQUIVALENT (A + B + C)		(20,63,463)		72,62,431
CASH AND CASH EQUIVALENTS				
— Opening Balance		1,89,87,330		1,17,24,899
CASH AND CASH EQUIVALENTS				
— Closing Balance		1,69,23,867		1,89,87,330
		(20,63,463)		72,62,431

Note : Previous year's figures have been re-arranged/re-grouped where necessary.

S. K. MUKHERJEE

Chairman

UTPAL DHAR

Managing Director

S. DATTA
Company Secretary

Auditors' Certificate

The above Cash Flow Statement has been compiled from and is based on the audited accounts of Stewarts and Lloyds of India Limited for the year ended 31st March, 1998 reported upon by us on 11th May, 1998. According to the information and explanations given, the aforesaid Cash Flow Statement has been prepared pursuant to Clause 32 of Listing Agreement with Stock Exchanges and the reallocations required for the purpose are as made by the Company.

P. K. NANDY
Partner

For and on behalf of
PRICE WATERHOUSE
Chartered Accountants

Calcutta, 11th May, 1998.

TATA TECHNO DYNE LIMITED

(A Subsidiary Company)

Directors' Report

To the Members,

Your Directors have great pleasure in presenting the Second Annual Report with audited accounts of the Company for the year ended 31st March, 1998.

During the year under review, the Company has commenced its business and has achieved the following **FINANCIAL** results :

	(Rs. in Lakhs)
	1997-98
1. Turnover	248.04
2. Profit before interest, depreciation and tax	17.60
3. Less : (a) Interest	Nil
(b) Depreciation	1.60
4. Profit before tax	16.00
5. Less : Provision for tax	4.50
6. Profit after tax	11.50
Add : (a) Profit/Loss (brought forward from previous year)	N.A. (1997-98 is the first year of operations)
	11.50
7. Disposable profit amount which the Directors have appropriated to General Reserve	11.50
8. Reserves and Surplus as at 31.3.98	11.50

DIVIDEND

As the Company has just commenced its business and 1997-98 was the first year of operations, the Directors consider it prudent to appropriate the profit of the financial year to General Reserve.

FOREIGN EXCHANGE EARNING & OUTGO

There has been no Foreign Exchange earning and outgo during the year.

CONSERVATION OF ENERGY

Since the Company is in the initial stage of this development, particulars with respect to conservation of energy etc, pursuant to Section 217(1) (E) of the Companies Act, 1956 are not applicable.

The disclosures required in Form A of Rule 2 of The Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

CHAIRMAN

Mr. K. C. Mehra in view of his pressing commitments relinquished the charge of Chairmanship of the Board, but in deference to the wishes of the Directors continued to stay on the Board. The Members of the Board in the Board Meeting held on 26th November, 1997, placed on record their deep appreciation for the valuable guidance and stewardship provided by Mr. Mehra in formation of the Company and commencement of business.

Mr. S. K. Mukherjee was appointed a Director of the Company in the Board Meeting held on 26th November, 1997. He was elected as the Chairman of the Board in the Board Meeting held on 26th November, 1997.

DIRECTORS

Mr. K. C. Mehra and Mr. Ishaat Hussain Directors of the Company retire by rotation and being eligible, have expressed their willingness to be re-appointed.

PERSONNEL

Directors wish to place on record their appreciation to all the employees of the Company for their excellent contribution for the good performance in the first year of operations of the Company.

As required under Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder and amended to-date, a statement showing particulars of employees is annexed herewith which forms part of this report.

AUDITORS

The retiring Auditors, M/s. A. F. Ferguson & Associates being eligible, have expressed their willingness to be re-appointed.

For and on behalf of the Board

S. K. MUKHERJEE
Chairman

Calcutta, 20th May, 1998

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Annexure to the Directors' Report – 1997-98

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975

Name	Designation and Nature of Duties	Remuneration Gross Rs.	Qualifications	Age in Years	Total Experience in Years	Date of Commencement of Employment	Particulars of last Employment held
1	2	3	4	5	6	7	8
Gupta S. K.	Managing Director	4,59,287	B.E. (Hons) Mech. Graduate Trainee Tata Steel	51	30	01.10.97	Managing Director, Stewarts & Lloyds of India Ltd.

Notes : 1. Remuneration shown above comprises salary, allowance, value of perquisites, provision for leave encashment and Company's contribution to the Provident, Superannuation and Gratuity Funds.
2. The nature of employment is contractual.
3. None of the employee mentioned above is a relative of any Director of the Company.
4. The employee stated above was employed for part of the year.

TATA TECHNOBYNE LIMITED

Auditors' Report**Report of the Auditors to the Shareholders**

We have audited the attached Balance Sheet of **TATA TECHNOBYNE LIMITED** as at 31st March, 1998, and the Profit and Loss Account of the Company for the year ended on that date, annexed hereto.

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - (c) the Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (d) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998 and
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

For A.F. FERGUSON ASSOCIATES
Chartered Accountants

V. K. KALRA
Partner

Calcutta, 20th May, 1998.

Annexure to the Auditors' Report
(Referred to in Paragraph 1 of our Report of even date)

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government and on the basis of the such checks as we considered appropriate, we report that:

1. The Company is maintaining records to show full particulars including quantitative details and situation of fixed assets. Fixed assets have been physically verified by the management during the year and no discrepancies have been noticed.
2. The fixed assets have not been revalued during the year.
3. The Company did not have any stock of finished goods, stores, spare parts and raw materials during the year and, accordingly items (iii), (iv), (v) and (vi) of sub-paragraph (4A) of the aforesaid order are not applicable for these items.
4. The Company has not taken any loans from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. We are informed that there are no companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.

Annexure to the Auditors' Report
(Contd.)

5. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. We are informed that there are no companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
6. The Company has not given any loans or advances in the nature of loans.
7. In our opinion and according to the information and explanations given to us and having regard to the explanation that some of the items are of a special nature and comparative quotations are not available there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for the procurement of materials for contracts and for purchase of fixed assets.
8. In our opinion and according to the explanations given to us, the prices paid for procurement of materials pursuant to contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more were reasonable as compared to the prices of similar items as available with the Company. Regarding contract income aggregating Rs. 50,000 or more. We are informed that having regard, inter alia, to the specialised nature of contracts executed by the Company, market prices are not available for comparison with the prices charged by the Company.
9. The Company has not accepted any deposits from the public.
10. We are informed by the Company that the Employees' State Insurance Act, 1948 is not applicable. Provident Fund dues have been regularly deposited during the year with appropriate authorities and there were no arrears of such dues at the year end.
11. According to the information and explanations given to us there are no undisputed amounts payable in respect of income tax, sales tax, customs duty and excise duty as at 31st March, 1998 which were outstanding for a period of more than six months from the date they became due.
12. According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
13. As the Company does not have any manufacturing activity, items (xii), (xiv) and (xvi) of sub paragraph 4(A) of the aforesaid order are not applicable to the Company.
14. Since the paid up capital of the Company at the commencement of the financial year did not exceed Rs. 25 lacs, item (xv) of sub paragraph 4(A) of the aforesaid order is not applicable to the Company.
15. Since the Company is not an industrial company within the meaning of clause (e) of sub-section (i) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985, Clause 4A(xx) of the Manufacturing and Other Companies (Auditor's Report) Order, 1988, is in our opinion, not applicable to the Company.

For A.F. FERGUSON ASSOCIATES
Chartered Accountants

V. K. KALRA
Partner

Calcutta, 20th May, 1998.

TATA TECHNO DYNE LIMITED**Balance Sheet
as at 31st March, 1998**

Schedule	Rupees	As at 31-03-1998 Rupees	As at 31-03-1997 Rupees
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	2,50,00,000	70
Share application money pending allotment		—	9,00,000
Profit and Loss Account		11,50,351	—
TOTAL		2,61,50,351	9,00,070
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	2	33,43,880	—
Less : Depreciation		1,59,636	—
Net Block		31,84,244	—
Expenditure pending Capitalisation/Allocation		—	6,100
Current Assets, Loans and Advances :			
Inventories	3	6,47,696	—
Sundry Debtors	4	79,15,277	—
Loans and Advances	5	2,14,91,980	—
Cash and Bank Balances	6	1,30,10,474	9,04,390
		4,30,65,427	9,04,390
Less : Current Liabilities and Provisions :			
Accounts payable	7	84,66,854	1,46,383
Advance from customer		1,19,09,236	—
		2,03,76,090	—
Net current assets		2,26,89,337	7,58,007
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Preliminary expenses		1,08,770	1,35,963
Fees for increase in Authorised Share Capital		1,68,000	—
		2,76,770	1,35,963
TOTAL		2,61,50,351	9,00,070
Notes	11		

As per our Report attached

For A. F. FERGUSON ASSOCIATES
Chartered AccountantsV. K. KALRA
Partner

Calcutta, 20th May, 1998.

For and on behalf of the Board

S. K. MUKHERJEE
ChairmanSANTOSH K. GUPTA
Managing Director

Calcutta, 20th May, 1998.

**Profit and Loss Account
for the year ended 31st March, 1998**

Schedule	Rupees	1997-98 Rupees	1996-97 Rupees
INCOME			
Income from contracts		2,35,01,247	—
Other Income	8	6,54,838	—
Contracts in Progress		6,47,696	—
		2,48,03,781	—
EXPENDITURE			
Cost of Engineering, Procurement & Construction Services		1,89,78,283	—
Employee Costs	9	11,98,531	—
Operation, Administration and Selling Expenditure	10	27,97,787	—
Depreciation		1,59,636	—
Miscellaneous Expenditure written off		69,193	—
Total Expenditure		2,32,03,430	—
Profit for the year before Taxation		16,00,351	—
Provision for Taxation		4,50,000	—
Profit for the year, carried to Balance Sheet		11,50,351	—
Notes	11		

As per our Report attached

For A. F. FERGUSON ASSOCIATES
Chartered AccountantsV. K. KALRA
Partner

Calcutta, 20th May, 1998.

For and on behalf of the Board

S. K. MUKHERJEE
ChairmanSANTOSH K. GUPTA
Managing Director

Calcutta, 20th May, 1998.

Schedules forming part of the Balance Sheet

1. SHARE CAPITAL

Authorised

1,00,00,000 (Previous Year : 30,00,000) Equity Shares of Rs. 10 each

Issued and Subscribed

25,00,000 (Previous Year : 7) Equity Shares of Rs. 10 each fully paid

Note : 24,99,993 equity shares are held by The Tata Iron and Steel Company Ltd.

As at 31st March, 1998 Rupees	As at 31st March, 1997 Rupees
10,00,00,000	3,00,00,000
2,50,00,000	70

2. FIXED ASSETS :

Description	Additions during the year Rupees	Cost as at 31st March, 1998 Rupees	Depreciation for the year Rupees	Total Depreciation as at 31st March, 1998 Rupees	Net Block as at 31st March, 1998 Rupees
Furniture & Fixtures	13,11,038	13,11,038	8,275	8,275	13,02,763
Office equipment	9,19,974	9,19,974	92,051	92,051	8,27,923
Vehicles	11,12,868	11,12,868	59,310	59,310	10,53,558
	33,43,880	33,43,880	1,59,636	1,59,636	31,84,244

Schedules forming part of the Balance Sheet

Schedules forming part of the Profit & Loss Account

3. INVENTORIES

Contract in progress at cost or net
realisable value, whichever is lowerAs at
31-03-1998
RupeesAs at
31-03-1997
Rupees

6,47,696

4. SUNDRY DEBTORS

Unsecured - considered good

Less than six months old

79,15,277

5. LOANS AND ADVANCES

Unsecured - considered good

Bills of exchange

1,00,98,324

Advances recoverable in cash or in
kind or for value to be received

1,13,93,656

2,14,91,980

6. CASH AND BANK BALANCES

Cash on hand

15,801

40

With Scheduled Banks :

On current accounts

44,94,673

9,04,350

On deposit accounts

85,00,000

1,30,10,474

9,04,390

7. CURRENT LIABILITIES & PROVISIONS

Accounts Payable

Sundry Creditors and accrued expenses

83,27,128

1,46,383

Provisions

Leave salaries

33,484

Superannuation

57,075

Gratuity

17,063

Income tax

32,104

84,66,854

1,46,383

8. OTHER INCOME

Interest on term deposits with banks
(gross) (tax deducted at source :
Rs. 82,897)

4,08,532

Income from bills of exchange

2,46,306

6,54,838

6,54,838

9. EMPLOYEE COSTS

Salaries & Wages

10,44,296

Company's contribution to Provident
and other Funds

1,10,290

Staff Welfare Expenses

43,945

11,98,531

10. OPERATION, ADMINISTRATION
& SELLING EXPENSES

Rent

8,87,300

Insurance

12,661

Repairs and Maintenance (others)

94,642

Car running and travelling expenses ..

9,40,365

Interest

1,743

Directors' Fees

16,500

Bank Charges

18,631

Telephone, Postage and Telegrams

Charges

2,18,693

Miscellaneous Expenses

6,09,232

27,97,787

TATA TECHNO DYNE LIMITED**Schedules forming part of the Balance Sheet and Profit and Loss Account****11. NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1998**

1. (i) The Company derives income from contracts for project & construction management, engineering services, procurement services and construction and erection services.
- (ii) With regard to Clause 3(ii) of Part II of Schedule VI of the Companies Act, 1956, the Company is of the view that, in respect of activities mentioned in (i) above, the Company is not a "manufacturing" or a "trading" company falling under sub-clause (a) and (b) thereof, but it is an "other" company falling under sub-clause (e) thereof.
- (iii) As the Company is not a "manufacturing" company, Clause 4C of Part II of Schedule VI of the Companies Act, 1956, which requires information regarding capacities and production in respect of each class of goods manufactured, is not applicable to it.
2. Significant Accounting Policies
 - (a) **Fixed Assets**
Fixed assets are stated at cost less depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
 - (b) **Depreciation**
Depreciation on all fixed assets is provided on the straight-line basis at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on the additions is calculated from beginning of the month in which the assets are acquired.
 - (c) **Long Term Contracts**
The Company accounts for the income from contracts for project & construction management, engineering services and construction and erection when they are substantially complete. In the case of contracts for procurement services, income is recognised on supply of materials to the customers. Projected losses on contracts are provided for in their entirety without reference to the portion of completion.
In the case of engineering services contract where a fixed fee is paid in addition to reimbursement of actual costs, income is reckoned without reference to reimbursable costs, based on certificate of work completion received from the customer.
Credit for claims in respect of cost escalation and extra work is taken only to the extent admitted by the customers.
Contracts are segmented between types of services, such as procurement, engineering, project and construction management and construction and erection and accordingly profit/loss related to each activity is recognised as those separate services are rendered. Further for the purpose of reckoning profit/loss, contracts are also segmented for work at different locations in the same contract.
Contract costs are arrived at by the management on the basis of current technical data, forecasts and estimates of future costs to completion. Changes to total estimated contract costs or losses, if any, are recognised in the period in which they are determined.
 - (d) **Inventories**
Contracts in progress are valued at cost or net realisable value whichever is lower. Cost includes appropriate overheads but excludes interest and selling expenses.
 - (e) **Retirement Benefits**
Schemes for Gratuity and Superannuation Fund are under finalisation. Pending finalisation, provision for gratuity has been made at the rate of half-a-month's salary for each completed year of service. Provision for contribution to Superannuation Fund has been made at 15% of the salary of the eligible employees.
 - (f) **Leave Salaries**
Provision is made for value of unutilised leave due to employees at the end of the year.
 - (g) **Miscellaneous Expenditure**
Preliminary expenses and filing fee for increase in authorised share capital are being amortised over a period of 5 years.
3. Auditors' Remuneration

	As at 31st March, 1998 Rupees	As at 31st March, 1997 Rupees
Audit Fees	50,000	6,000
Tax Audit Fees	15,000	Nil
Company law matters	6,750	Nil
	<u>71,750</u>	<u>6,000</u>
4. Remuneration of Directors		
(a) Managing Director's Remuneration :	Rupees	
Salary	1,74,000	
Contributions to Provident and Other Funds	53,996	
Other Benefits	2,30,420	
	<u>4,58,416</u>	
(b) Directors' Fees	16,500	
5. The Company commenced commercial operation during the year under review. The Profit and Loss account, therefore, reflects figures for the year and no comparative figures are available.		

IPITATA REFRACTORIES LIMITED

(A Subsidiary Company)

Directors' Report

To the Members,

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Accounts of your Company for the financial year ended on 31st March, 1998.

OPERATING RESULTS

The operating results of your Company for the financial year 1997-98 and previous year are as follows :

	1997-98 Rupees Lakhs	1996-97 Rupees Lakhs
Sale of the products	2,061.72	1,922.81
Other Income	58.15	61.68
Total Turnover	2,119.87	1,984.49
Operating profit before Interest and Depreciation	92.64	55.97
Less : Interest	28.89	16.97
Profit after Interest	65.75	39.00
Less : Depreciation	21.05	21.92
Profit for the year	44.70	17.08

DIVIDEND

Although the Company has made a net profit during the year, due to heavy accumulated losses brought forward from the earlier years, your Directors regret their inability to recommend any dividend for the year.

OPERATIONS

The recession in Steel and Cement industries and reduction in specific consumption of refractories in the Steel industry resulted in tough competition in the Refractories Industry during the year under review.

The value of despatch from Dhenkanal operation was Rs.1,949 lakhs against Rs.1,771 lakhs of previous year. The saleable production of Dhenkanal operation was 20,368 MT against 19,628 MT for previous year. The turnover of the Company was Rs.2,062 lakhs against Rs.1,931 lakhs of 1996-97. In spite of increase in various inputs cost, the Company was able to make a profit of about Rs.45 lakhs against that of Rs.17 lakhs of previous year, due to improvement in yield and various cost reduction measures taken by the Company during the year under review.

CONVERSION ARRANGEMENT WITH OUTSIDE PARTIES AT JAMSHEDPUR

During the year under review, the sale of Dolopatchi Mix of Jamshedpur operation of the Company was adversely affected due to poor off take by the mini steel plants.

The marketing of GROWELL, the Soil Conditioner, was also seriously affected mainly due to low requirement of various State/Central Governments.

RAW MATERIALS

Due to non-availability of proper quality of indigenous bauxite your Company is continuously procuring the same from China. As the import has to be made in bulk quantity, a sizable amount of working capital was blocked in raw materials during the year. During the year under review, the consumption of fresh raw materials was brought down by the development of various alternate economic compositions.

RESEARCH AND DEVELOPMENT

The Company continues to attach great importance to R & D activities to cope up with the highly competitive market condition. During the year under review, your Company has successfully developed High Alumina Cement (72% Alumina) and Calundum Cement (48% Alumina). These products will be mainly captively used.

Your Directors place on record their gratitude to TISCO and TRL R & D Departments for their continued assistance in R & D activities.

FINANCE

The general recessionary trend and credit crunch situation prevailing in the country and delay in payment by key customers had affected the realisation of our sale proceeds and

caused difficulty in working capital management. As a result, your Company sometimes failed to keep its commitment in payment of dues to its suppliers. Your Company is very much thankful to the suppliers for their co-operation to the Company in such difficult situations.

INDUSTRIAL RELATIONS

The term of earlier wage settlement has come to an end on 31st December, 1997 and due to high percentage of Employee cost, the management has proposed to the Workers' Union to extend the same by another 3 years. The industrial relations were satisfactory during the year. The Directors wish to place on record their appreciation of the co-operation extended by the Union and by the employees at all levels.

POTENTIAL SICK COMPANY

As per the amended provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 your Company falls under the category of "Potential Sick Company".

SUBSIDIARY COMPANY

During the year under review, IPICOL, one of the co-promoters of the Company had disposed off its holding in the Company in favour of TRL, the other co-promoter. As a result, your Company has become a subsidiary of Tata Refractories Limited.

DIRECTORS

IPICOL had withdrawn its nominee Directors Mr. P.N. Mohanty and Mr. R.N. Rath with effect from 27th September, 1997.

The Board has placed on record its deep appreciation of the valuable services rendered by Mr. P.N. Mohanty and Mr. R.N. Rath during their tenure as Directors of the Company.

Mr. K.S. Swaminathan retires by rotation at the forthcoming Annual General Meeting. Mr. Swaminathan has expressed his desire to be relieved from the Directorship of the Company. The Directors placed on record their warm appreciation of the valuable guidance and help extended by him during his long association as a Director of the Company.

Upon the withdrawal of IPICOL Directors, the TRL nominee Directors, Mr. C.D. Kamat, Mr. P.K. Ghose and Mr. N. Mahanty were appointed as Additional Directors on 24th November, 1997 and will hold office till the forthcoming AGM. We have received written proposals from shareholders for their appointment to the office of the Directors.

PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975, the name and other particulars of employees of the Company who are in receipt of remuneration of not less than Rs. 3,00,000/- during the year ended on 31st March, 1998 or Rs. 25,000/- per month are set out in Annexure -1.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE, ETC.

Pursuant to the provisions of the Companies (Disclosure of particulars in the report of Board of Directors) Rule, 1988 particulars are given in Annexure -2.

AUDITORS

You are requested to appoint the Auditors and fix their remuneration by passing a Special Resolution pursuant to Section 224A of the Companies Act, 1956. M/s. P. Mukhopadhyay & Co. Chartered Accountants, the present Auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for reappointment.

SOCIAL RESPONSIBILITIES

Your Company is committed to the welfare of the vicinity communities. Though it is a potentially sick Company, in a small way, it has aided in cash and kind in organising sports and cultural activities. The Company also regularly donates to the District Red Cross Fund.

ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation of the continued co-operation and support extended by all employees, financial institutions, bankers, suppliers, customers and various State and Central Government agencies.

On behalf of the Board

C.D. KAMAT
Chairman

Jamshedpur, 27th April, 1998.

Annexures to the Directors' Report

Annexure — I

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended :-

Name	Designation & Nature of Duties	Qualification	Age (in years)	Experience (in years)	Date of Commence- ment of Employment	Gross Remuneration	Previous Employment/ Position held
1	2	3	4	5	6	7	8
Mr. Chary, R.V.	Managing Director	B.E. (Mech.)	83	40	15.07.91	3,27,288	Add. Sr. D. M. (Tisco)
Prabhu Narain	Managing Director	B.E. (Ceramics)	54	32	15.07.97	2,41,492	Director (Tech.), TRL

- Notes : (1) Gross Remuneration comprises salary, allowances, Company's contribution to P.F. and other Funds and monetary value of perquisites.
(2) Nature of Employment is contractual and subject to rules of the company from time to time.
(3) None of the employees mentioned above is a relative of any Director of the Company.
(4) No employee holds by himself or alongwith spouse or dependent children not exceeding two percent of the equity shares of the company.
(5) Above employees are employed for part of the year.

On behalf of the Board
C.D. KAMAT
Chairman

Jamshedpur, 27th April, 1998.

IPITATA REFRACTORIES LIMITED

Annexures to the Directors' Report (Contd.)

Annexure — II

PARTICULARS PURSUANT TO THE PROVISIONS OF COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

(A) CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

- (i) The idle running time of Mili house was controlled by removing bottle necks and synchronising the operation.
- (ii) Reduced cycle time and increased bench load in Chamber Kiln has increased the efficiency of Chamber kiln.
- (iii) Productivity of presses have been improved.
- (b) Additional investments and proposals for reduction of consumption of energy :
No additional investment is proposed but all efforts are on to conserve energy to some extent.
- (c) Impact of the above measures :
The above stated measures have resulted in reduction of consumption of energy to some extent.
- (d) Total Energy consumption and energy consumption per unit of production :
Given below in prescribed Form 'A'

Form — A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

(A) POWER & FUEL CONSUMPTION

	Current Year	Previous Year
1. Electricity :		
(a) Purchased :		
Unit (kwh)	34,11,960	33,51,075
Total Amount (Rs.)	1,17,60,648	1,07,02,006
Rate/Unit (Rs./kwh)	3.45	3.20
(b) Own Generation :		
(i) Through Diesel Generator		
Unit (kwh)	49,710	61,760
Unit per Ltr. of Diesel Oil	1.96	1.96
Cost/Unit (Rs.)	4.49	4.56
(ii) Through Steam Turbine/Generator	N.A.	N.A.
2. Steam Coal Grade 'A' used in Gas Producer :		
Quantity (Tonnes)	9,120	9,138
Total Cost (Rs.)	1,18,08,720	1,10,70,923
Average Rate (Rs./M.T.)	1,295	1,212
3. Furnace Oil, L.D. Oil :		
Quantity (K. Litres)	395	568
Total Amount (Rs.)	24,88,414	34,85,905
Average Rate (Rs./KL)	6,299	6,159
ISHS Other/Internal Generation	N.A.	N.A.

(B) CONSUMPTION PER UNIT OF PRODUCTION

	Standard	1997-98	1996-97
(i) Refractories Produced (MT)	Not Available	20,368	19,828
(ii) Electricity (Kwh/Tonne)	Not Available	170	174
(iii) Furnace Oil & L.D. Oil (Litres/Tonne)	Not Available	19	29
(iv) LSHS (Kg/Tonne)	Not Available	N.A.	N.A.
(v) Steam Coal (Gross) Grade 'A' (Kg/Tonne)	Not Available	448	466
(vi) Net Coal after Dust (Kg/Tonne)	Not Available	310	316

REASONS FOR VARIATION:

- (i) Furnace Oil consumption has been reduced due to better operation of Shaft Kiln
- (ii) Coal consumption has been decreased due to better operation of Gas producer and Chamber Kiln.

TECHNOLOGY ABSORPTION

Given below in prescribed Form 'B'

Form — B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH & DEVELOPMENT (R&D)

1. Specific areas in which R&D was carried out by the Company
Refractory raw materials and products
2. Benefits derived as a result of the above R&D
 - (a) Quality upgradation of existing products.
 - (b) Developed High Alumina Cement, Calundum Carbon Bricks.
3. Future Plan of Action
Joint project with Tata Refractories to develop High Alumina Insulation bricks for export.
4. Expenditure on R&D

(a) Capital	:	Nil
(b) Recurring	:	Nil
(c) Total	:	Nil
(d) Total R&D expenditure as a percentage of total turnover	:	Nil (as R&D work is done with the help of TISCO, TRL and own laboratory, the expenditure is not significant)
5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION
 1. Efforts made in brief, towards technology absorption, adaptation and innovations
Nil
 2. Benefits derived as a result of the above efforts i.e. product improvement, cost reduction, product development, import substitution :
Does not arise
 3. No technology has been imported during last 5 years.
- (C) FOREIGN EXCHANGE EARNINGS AND OUTGO
 - (i) Activities relating to export, initiative taken to increase exports, development of new export market for products and services and export plan :
The company is yet to enter into export market
 - (ii) Total foreign exchange used and earned :
Foreign exchange used : US \$ 430,492/-
Foreign exchange earned : Nil

On behalf of the Board
C.D. KAMAT
Chairman

Jamshedpur, 27th April, 1998.

Auditors' Report

To the Members of IPITATA Refractories Limited

We have audited the attached Balance Sheet of IPITATA REFRACTORIES LIMITED, as at 31st March, 1998 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report that :

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph (1) above —
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet and the Profit and Loss Account are in agreement with the books of account.
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - (i) in the case of Balance Sheet of the state of affairs of the Companies as at 31st March, 1998 and
 - (ii) in the case of Profit and Loss Account of the Profit for the year ended on that date.

For P. MUKHOPADHYAY & CO.
Chartered Accountants
SUBHAS MUKHOPADHYAY
Partner

Jamshedpur, 27th April, 1998.

Annexure to the Auditors' Report

(Referred to in Paragraph 1 of our Report of even date)

- (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The depreciation written off to date is available for group of assets. The fixed assets have not been physically verified by the management.
- (ii) None of the fixed assets have been revalued during the year.
- (iii) Physical verification has been conducted by the management at regular intervals in respect of finished goods, stores, spares and raw materials.
- (iv) Procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (v) No material discrepancies have been noticed on physical verification of stocks as compared to book and records.
- (vi) In our opinion, the valuation of the stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
- (vii) The Company has not taken any loans during the year from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We are informed that there is no Company under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
- (viii) The Company has not granted any loans to companies, firms or other parties listed in the registers maintained under Section 301 of the Companies Act, 1956.
- (ix) The Company has not given any loans or advances in the nature of loans.
- (x) In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including component, plant and machinery, equipment and other assets and for the sale of goods.
- (xi) No transactions of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements with any party were entered in the registers maintained under Section 301 of the Companies Act, 1956, during the year.
- (xii) Unserviceable or damaged stores, raw materials and finished goods wherever arise are determined and provisions for loss, if any, has been duly made in the accounts.
- (xiii) The Company has not accepted any deposits from public.
- (xiv) As explained to us, the Company do not generate any by-product or scrap.
- (xv) The Company has an internal audit system commensurate with its size and the nature of its business.
- (xvi) Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 in respect to the product of the Company.
- (xvii) According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited with the appropriate authorities during the year.
- (xviii) According to the information and explanations given to us, there were no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and Excise duty which have remained outstanding for a period exceeding six months as on 31st March, 1998.
- (xix) According to the records verified by us, no personal expenses have been charged to revenue account.
- (xx) The Company is not a sick industrial company within the meaning of Clause (o) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.

For P. MUKHOPADHYAY & CO.
Chartered Accountants
SUBHAS MUKHOPADHYAY
Partner

Jamshedpur, 27th April, 1998.

IPITATA REFRACTORIES LIMITED

Balance Sheet
as at 31st March, 1998

	Schedule	Rupees	Rupees	Previous Year Rupees
FUNDS EMPLOYED				
1. Share Capital	A		2,52,32,625	2,52,32,625
2. Reserves & Surplus	B		15,00,000	15,29,900
3. Total Shareholders' Funds			2,67,32,625	2,67,62,525
4. Loans				
(a) Secured	C	91,10,297		75,34,366
(b) Unsecured	D	1,73,06,305		1,75,63,608
(c) Total Loans			2,64,16,602	
5. Total Funds Employed			5,31,49,227	5,18,60,499
APPLICATION OF FUNDS				
6. Fixed Assets	E			
(a) Gross Block		9,23,49,788		9,20,30,046
(b) Less : Depreciation		7,26,75,080		7,06,37,751
(c) Net Block			1,96,74,708	2,13,92,295
7. Investments			5,000	5,000
(Shares with IPITATA Employees Consumers Co-operative Stores Ltd.)				
8. Current Assets, Loans & Advances				
(a) Inventories	F	2,56,11,445		3,27,15,068
(b) Sundry Debtors	G	3,32,67,148		2,12,20,904
(c) Cash & Bank Balances	H	46,47,476		3,90,431
(d) Loans & Advances	I	67,19,770		37,34,041
(e) Total Current Assets ..		7,02,45,839		5,80,60,444
9. Less : Current Liabilities & Provisions				
(a) Current Liabilities	J	6,06,96,003		5,47,78,419
10. Net Current Assets			95,49,836	32,82,025
11. Miscellaneous Expenditure	K		58,67,723	46,29,158
12. Profit & Loss Account			1,80,51,960	2,25,52,021
13. Total Application of Funds			5,31,49,227	5,18,60,499
Notes Forming Part of Accounts	N			

Profit and Loss Account
for the year ended 31st March, 1998

	Schedule	Rupees	Rupees	Previous Year Rupees
INCOME				
1. Sale of Products and Other Income	L		21,19,86,621	19,84,49,264
EXPENDITURE				
2. Manufacturing and Other Expenses	M	20,14,14,203		19,22,63,567
3. Depreciation		21,05,162		21,92,278
4. Interest		26,88,727		16,96,734
5. Employees Separation Compensation Amortised ..		13,08,368		5,88,216
6. Total Expenditure			20,75,16,460	19,67,40,795
7. Profit for the year (1 - 6) ...			44,70,161	17,08,469
8. Investment Allowance Reserve Written Back (being no longer required)			29,900	2,29,233
9. Total (7+8)			45,00,061	19,37,702
10. Profit/(Loss) brought forward			(2,25,52,021)	(2,44,89,723)
11. Profit/(Loss) carried over to Balance Sheet			(1,80,51,960)	(2,25,52,021)
Notes Forming Part of Accounts	N			

Subject to our report of even date addressed to the members of the Company to which the Balance Sheet together with the schedules are attached.

As per our report attached
For P. MUKHOPADHYAY & CO.
Chartered Accountants

For and on behalf of the Board
C.S. PANIGRAHI
Controller of (Accts) - cum
Asst. Secretary

P. K. GHOSE
Director

SUBHAS MUKHOPADHYAY
Partner

M. SRINIVASAN
Manager (Accts.) - cum -
Asst. Secretary

PRABHU NARAIN
Managing Director

Jamshedpur, 27th April, 1998.

Subject to our report of even date addressed to the members of the Company to which the Balance Sheet and Profit and Loss Account are attached.

As per our report attached
For P. MUKHOPADHYAY & CO.
Chartered Accountants

For and on behalf of the Board
C.S. PANIGRAHI
Controller of (Accts) - cum
Asst. Secretary

P. K. GHOSE
Director

SUBHAS MUKHOPADHYAY
Partner

M. SRINIVASAN
Manager (Accts.) - cum -
Asst. Secretary

PRABHU NARAIN
Managing Director

Jamshedpur, 27th April, 1998.

IPITATA REFRACTORIES LIMITED

Schedules forming part of the Balance Sheet

SCHEDULE A : SHARE CAPITAL

	Rupees	Previous Year Rupees
Authorised		
32,00,000 Equity Shares of Rs. 10/- each	3,20,00,000	3,20,00,000
15,000 11% Redeemable Cumulative Preference Shares of Rs. 100/- each	15,00,000	15,00,000
	<u>3,35,00,000</u>	<u>3,35,00,000</u>
Issued and Subscribed		
24,00,000 Equity Shares of Rs. 10/- each	2,40,00,000	2,40,00,000
15,000 11% Redeemable Cumulative Preference Shares of Rs. 100/- each	15,00,000	15,00,000
	<u>2,55,00,000</u>	<u>2,55,00,000</u>
Paid up		
23,61,450 Equity Shares of Rs. 10/- each (Previous Year 23,61,450)	2,36,14,500	2,36,14,500
Out of the above 12,24,000 shares of Rs. 10/- each are held by Tata Refractories Limited, the holding company.		
14,980 11% Redeemable Cumulative Preference Shares of Rs. 100/- each (Previous Year 14,980)	14,98,000	14,98,000
	<u>2,51,12,500</u>	<u>2,51,12,500</u>
Add : Forfeited Share (Amount originally Paid up)	1,20,125	1,20,125
	<u>2,52,32,625</u>	<u>2,52,32,625</u>

SCHEDULE B : RESERVES AND SURPLUS

	Rupees	Rupees	Previous Year Rupees
Central Subsidy		15,00,000	15,00,000
Investment Allowance Reserve :			
Balance as per last account	29,900		29,900
Less : Transferred to P & L A/c (being no longer required)	29,900	—	—
		<u>15,00,000</u>	<u>15,29,900</u>

SCHEDULE C : SECURED LOAN

	Rupees	Rupees	Previous Year Rupees
Cash Credit with Canara Bank (Secured by Book Debts, hypothecation of stock of Raw Material, Stores, Finished Goods & Goods-in-process)	91,10,297		75,34,366
	<u>91,10,297</u>		<u>75,34,366</u>

SCHEDULE D : UNSECURED LOAN

	Rupees	Rupees	Previous Year Rupees
(a) Interest free Sales tax loan	23,50,000		33,89,000
(b) Unsecured loan from IPICOL	—		33,82,500
(c) Unsecured loan from Tata Refractories Ltd.	1,16,38,532		61,63,922
(d) Interest accrued on (c) above	33,17,773		46,28,186
	<u>1,73,06,305</u>		<u>1,75,63,608</u>

SCHEDULE E : FIXED ASSETS

Description	Gross Block at cost as on 31.3.97 Rs.	Additions Rs.	Deletions Rs.	Gross Block at cost as on 31.3.98 Rs.	Total Depreciation upto 31.3.98 Rs.	Net Block as on 31.3.98 Rs.
1	2	3	4	5	6	7
1. Land & Site Development	13,37,347 (13,37,347)	0 (0)	0 (0)	13,37,347 (13,37,347)	0 (0)	13,37,347 (13,37,347)
2. Buildings	1,84,33,493 (1,84,33,493)	0 (0)	0 (0)	1,84,33,493 (1,84,33,493)	65,65,019 (60,95,196)	1,18,68,474 (1,23,38,297)
3. Plant and Machinery	6,38,55,623 (6,38,55,623)	72,113 (0)	84,582 (0)	6,38,43,154 (6,38,55,623)	5,87,67,307 (5,76,84,884)	50,75,847 (61,70,739)
4. Furniture, Fittings and Equipments	22,40,612 (20,68,078)	3,81,618 (1,72,534)	55,021 (0)	25,67,209 (22,40,612)	17,35,238 (16,49,111)	8,30,971 (5,91,501)
5. Vehicles	61,62,971 (61,62,971)	5,614 (0)	0 (0)	61,68,585 (61,62,971)	56,06,516 (52,08,560)	5,62,069 (9,54,411)
	<u>9,20,30,046</u> (9,18,57,512)	<u>4,59,345</u> (1,72,534)	<u>1,39,603</u> (0)	<u>9,23,49,788</u> (9,20,30,046)	<u>7,26,75,080</u> (7,06,37,751)	<u>1,96,74,708</u> (2,13,92,295)

Note : Figures in brackets are in respect of previous year.

SCHEDULE F : INVENTORIES

	Rupees	Previous Year Rupees
Raw Materials, Coal & Fuel (at cost or market price whichever is lower)	58,13,923	79,35,994
Work-in-process (at cost or market price whichever is lower)	35,19,000	24,99,000
Finished Goods (at cost or market price whichever is lower)	1,37,37,000	1,89,87,000
Stores and Spares (Valued at cost)	25,41,522	32,93,074
	<u>2,56,11,445</u>	<u>3,27,15,068</u>

SCHEDULE G : SUNDRY DEBTORS (UNSECURED)

	Rupees	Previous Year Rupees
(a) Due for more than six months (Considered good unless otherwise mentioned) Less : Provision for Doubtful Debt (included in (a) above)	71,16,606 16,92,233 54,24,373	60,13,170 19,09,291 41,03,879
(b) Due for less than six months (Considered good)	2,78,42,775 3,32,67,148	1,71,17,025 2,12,20,904

IPITATA REFRACTORIES LIMITED

Schedules forming part of the Balance Sheet

SCHEDULE H : CASH & BANK BALANCES

	Rupees	Previous Year Rupees
Cash & Stamps in hand	51,877	68,049
Balance with Scheduled Banks in Current Accounts	45,95,599	3,22,382
	<u>46,47,476</u>	<u>3,90,431</u>

SCHEDULE I : LOANS AND ADVANCES (PAID)

	Rupees	Previous Year Rupees
(Unsecured but Considered good unless otherwise stated)		
Pre-paid expenses & recoverable dues	2,62,815	2,64,717
Other Sundry Advances	60,38,783	25,04,250
(Recoverable in cash or kind or for value to be received)		
Deposit of Security and Earnest Money	7,29,550	12,76,452
	<u>70,31,148</u>	<u>40,45,419</u>
Less :		
Provision for Doubtful Advances	91,049	91,049
Provision against addl. Sales Tax paid	2,20,329	2,20,329
	<u>3,11,378</u>	<u>37,34,041</u>

SCHEDULE J : CURRENT LIABILITIES
& PROVISIONS

	Rupees	Previous Year Rupees
(a) Sundry Creditors	3,72,10,559	3,57,91,750
(b) Liabilities for Expenses	1,57,99,973	99,59,136
(c) Statutory Liabilities	24,79,132	15,74,758
(d) Security Deposits Received	6,54,706	6,85,826
(e) Advances Received from Customers	45,51,633	67,66,949
	<u>6,08,96,003</u>	<u>5,47,78,419</u>

SCHEDULE K : MISCELLANEOUS EXPENDITURE
(To the extent not written off or adjusted)

	Rupees	Previous Year Rupees
Employees' Separation Compensation	71,76,091	52,17,374
Less : Amortised during the year	13,08,368	5,88,216
Balance Carried Forward	<u>58,67,723</u>	<u>46,29,158</u>

Schedules forming part of the Profit and Loss Account

SCHEDULE L : SALE OF PRODUCTS AND
OTHER INCOME

	Rupees	Rupees	Previous Year Rupees
1. Sale of Products		20,61,71,693	19,22,81,260
(inclusive of Excise Duty)			
2. Other Income :			
(a) Sale of Waste Material	50,12,327		36,08,303
(b) Miscellaneous Receipts	5,18,450		1,33,165
(c) Excess Provisions & Adjustment relating to previous year (Net)	2,84,151	58,14,928	24,26,536
		<u>21,19,85,621</u>	<u>19,84,49,264</u>

SCHEDULE M : MANUFACTURING AND
OTHER EXPENSES
(Contd.)

	Rupees	Rupees	Previous Year Rupees
5. Excise Duty		2,68,20,311	2,73,38,468
6. Carriage Inwards		1,41,799	1,41,249
7. (Increase)/Decrease in stock of finished goods & goods-in-process :			
(a) Closing Stock	1,72,58,000		2,14,86,000
(b) Opening Stock	2,14,86,000		1,51,18,000
		<u>42,30,000</u>	<u>(63,68,000)</u>
		<u>20,14,14,203</u>	<u>19,22,63,567</u>

Schedules forming part of the Balance Sheet and
Profit and Loss AccountSCHEDULE M : MANUFACTURING AND
OTHER EXPENSES

	Rupees	Rupees	Previous Year Rupees
1. Raw Materials Consumed		6,95,74,091	7,41,66,866
2. Purchase of Other Materials		17,85,810	—
3. Payments to and Provision for Employees :			
(a) Salaries, Wages & Bonus	3,40,40,248		3,11,99,002
(b) Contribution to PF & Other Funds	33,67,290		27,50,668
(c) Workmen & Staff Welfare Expenses	50,86,669	424,94,207	54,53,590
4. Operation & Other Expenses :			
(a) Coal & Fuel consumed	1,42,97,134		1,45,56,828
(b) Stores & Spares consumed	68,12,692		67,88,209
(c) Electricity & Water charges	1,17,90,634		1,07,55,165
(d) Insurance & Tax	3,08,853		5,16,011
(e) Rents & Rates	1,10,941		1,09,141
(f) Conversion & Other Mfg. Expenses	1,06,16,501		1,07,48,373
(g) Repairs to Buildings	1,87,793		2,38,084
(h) Repairs to Plant & Machinery	48,23,046		56,23,429
(i) Travelling & Conveyance	23,11,935		26,63,578
(j) Telephone & Telex	12,85,358		12,90,072
(k) Printing & Stationery	2,99,930		3,88,025
(l) Loss on sale of Assets	44,153		—
(m) Other Expenses	35,01,015	5,63,67,085	39,04,809

SCHEDULE N :

Notes on Balance Sheet and Profit & Loss Account for the year 1997-98.

- Accounting Policy presently followed by the Company.
- Valuation of Inventories :
Basis of valuation is as under :
 - Finished products are valued at lower of cost or market value.
 - Raw materials, semi-finished products and goods-in-process are valued at lower of cost or market value.
 - Stores and spares are valued at cost.
 Cost for the purpose of valuation are generally ascertained on weighted average basis
- Fixed Assets :
Fixed assets are valued at original cost of acquisition including taxes, duties, freight and other incidental expenses relating to acquisition and installation.
- Depreciation :
Depreciation is calculated on straight line method to meet the requirement of Section 205 read with Schedule XIV to the Companies (Amendment) Act, 1988.
- Retirement Benefit :
 - Contribution to Provident Fund is provided in the books of account and payments are made to the Trustees of the Fund created by the Company at the applicable rate.
 - The liability on account of gratuity is determined on the basis of assessment by L.I.C. of India in terms of a Group Gratuity Policy taken out with them and the amount is covered by the premium paid on such basis.

IPITATA REFRACTORIES LIMITED

Schedules forming part of the Balance Sheet and Profit and Loss Account (Contd.)

Notes on Balance Sheet and Profit & Loss Account for the year 1997-98.

3. As per the rules of the Company, the encashment of unutilised leave, if any, is permitted only at the time of leaving of the employees. As the Company is recognising the cost only at the time of payment made to the employees on or after their retirement and as the cost is contingent on the leaving of the employee as well as remaining of the unutilised leave, no liability is created for the same.

1.5 Claims :

1. Claims of the Company towards loss, damage and escalation are accounted when there is a certainty that the claim is realisable.

(a) Compensation to casual labourers who have opted for retirement under the Retirement Scheme of the Company is amortised over sixty months.

(b) Compensation to permanent employees who have opted for retirement under the approved Voluntary Retirement Scheme of the Company is amortised over fifty months.

2. Preference Shares are redeemable before September 1995 by giving six months notice of such redemption to the holders thereof. However, as the Company was not in a position to redeem the Preference Shares, it has taken necessary measures in accordance with the provisions of the law for either to extend the period of redemption or to issue new preference shares in due course.

3. No provision has been made for payment of dividend to the Preference Shareholders, Cumulative from the date of allotment i.e. 20th September, 1980 upto the date of proposed redemption amounting to Rs. 24.77 lakhs or the dividend payable thereafter.

4. Wage Settlement dated 11th October, 1996 has expired on 31st December, 1997 and the Company has proposed to the Workers' Union to extend the above Settlement for a further period of three years. No provision has been made in this account.

5. It is the practice of the Company to account for Excise Duty on finished goods manufactured on clearance of goods from the factory premises.

6. No provision for taxation has been made in view of the accumulated losses and unabsorbed allowances.

7. Confirmation of parties concerned for amount due, receivable from and/or payable to them as per the accounts of the Company has not been received. Necessary adjustment shall be done at the time of settlement of respective account.

8. In view of the Accounting Standards issued by the Institute of Chartered Accountants of India, the laboratory expenditure of the Company is not to be considered as Research & Development expenditure.

9. Exchange difference in respect of import of raw materials between the due date of payment of the bills and the date of the Balance Sheet amounting to Rs. 0.89 lakh are debited to the Profit & Loss Account.

10. Loans and Advances Include Rs. 0.96 Lakh (Previous Year Rs. 3.31 Lakhs) collected by Sales Tax authorities against demand not acknowledged by the Company as a debt, which amount is included in the figure disclosed under item 11(b)(i) of this Schedule.

11. (a) The Company do not acknowledge additional claim of land owners against acquired land and the same has been contested in appropriate Courts. However, as an abundant caution a provision has been created.

- (b) Claims against the Company not acknowledged as debt and are being contested before appropriate authorities.

	1997-98	(Rs. in lakhs) 1996-97
(i) Sales Tax	3.31	3.31
(ii) Water Charges	7.14	7.14
(iii) Central Excise	3.69	3.67

12. Contingent Liabilities :

- (a) Bank Guarantee furnished by Canara Bank, Dhenkanal against which the Company has given counter guarantee
- (b) For cheques discounted

1997-98	(Rs. in lakhs) 1996-97
12.07	4.15
12.75	4.51

13. Managerial Remuneration :

- (i) Salary & allowances to Managing Director
- (ii) Contribution to P.F. & other Funds
- (iii) LTC & other Expenses

1997-98 (Rs.)	1996-97 (Rs.)
2,95,049	3,13,875
1,46,529	67,500
1,27,200	22,000

14. Other Miscellaneous expenses include following payments to auditors :

- (a) As Auditors
- (b) For other Services
- (c) Reimbursement of Expenses

1997-98 (Rs.)	1996-97 (Rs.)
15,000	15,000
3,500	3,000
1,716	1,874

15. Other Manufacturing Expenses include : Rs. 31.87 lakhs (Previous Year : Rs. 44.38 lakhs) spent for the conversion of Raw Materials into Finished Products through outside parties at Jamshedpur.

16. Information for goods manufactured : (Refractories)

- Licensed Capacity (MT)
- Installed Capacity (MT)
- Actual Production * (MT)

1998	1997
28,000	28,000
28,000	28,000
20,368	19,628

* Including semi-finished product of 1401 MT (Previous Year : 2561 MT)

17. (a) Turnover, Opening and Closing Stock :

	1997-98 (MT)	(Rs.)	1996-97 (MT)	(Rs.)
Turnover : Dhenkanal				
Refractories	19,084	19,49,21,121	19,542	17,70,88,065
Turnover : Jamshedpur				
Dolopatch	1,002	58,74,493	1,803	1,07,12,570
Soil Conditioner	2,840	32,83,095	3,998	44,80,625
Other Materials (for trading)	2,175	20,92,984	—	—

Opening & Closing Stock :

Dhenkanal :

- Opening Stock
- Closing Stock

1997-98 (MT)	1996-97 (MT)
3,752	3,666
5,036	3,752

Jamshedpur : (Soil Conditioner)

- Opening Stock
- Closing Stock

- (b) Turnover includes sale proceeds of Semi-finished products of 1401 MT amounting to Rs. 34,58,202 (Previous Year : 2561 MT, amounting to Rs. 57,04,977)

IPITATA REFRACTORIES LIMITED

Schedules forming part of the Balance Sheet and
Profit and Loss Account (Contd.)

Notes on Balance Sheet and Profit & Loss Account for the year 1997-98 (Contd.)

	1997-98		1996-97	
	(MT)	(Rs.)	(MT)	(Rs.)
18. Raw Material Consumption :				
Calced Bauxite	8,165	4,19,43,449	6,405	3,73,39,173
R.N.P. Clay	8,510	41,88,333	11,443	52,73,811
Salvaged Bricks	1,514	35,61,625	2,581	61,44,325
Cumite Brown	182	35,06,323	216	31,62,572
Others	—	1,63,74,361	—	2,22,46,985
		<u>6,95,74,091</u>		<u>7,41,66,866</u>

MODVAT during the year amounting Rs. 29,93,811 (Previous Year : Rs. 32,86,245) has been adjusted against their respective raw material account.

	1997-98		1996-97	
	(MT)	(Rs.)	(MT)	(Rs.)
19. Other materials purchased for trading	2,175	17,05,810	—	—

20. Value of direct Imports
(C.I.F. Value)

	1997-98	1996-97
Raw Materials	1,93,87,806	3,14,74,775

21. Value of consumption of directly imported and indigenously obtained raw materials and their percentage of each to total consumption

	1997-98		1996-97	
	(Rs.)	(%)	(Rs.)	(%)
(a) Directly imported	2,64,21,260	38	3,46,42,256	47
(b) Indigenously obtained ..	4,31,15,831	62	3,95,24,610	53
(c) All the components and spares consumed are indigenous				

22. Excess/shortage in physical verification/reconciliation of raw materials and stores, made by the Company remain adjusted in their respective consumption accounts. Rejected/non-moving finished products are not valued. In some cases rejected bricks are sold after some modification and included in production.

23. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. Nil (Previous Year : Rs. Nil).

24. Previous Year's figures have been regrouped and recast wherever necessary to conform to current year layout.

Signature to Schedules 'A' to 'N'

As per our report attached

For and on behalf of the Board

For P. MUKHOPADHYAY & CO.
Chartered AccountantsC. S. PANIGRAHI
Controller of (Accts.) - cum -
Asst. SecretaryP. K. GHOSE
DirectorSUBHAS MUKHOPADHYAY
PartnerM. SRINIVASAN
Manager (Accts.) - cum -
Asst. SecretaryPRABHU NARAIN
Managing Director

Jamshedpur, 27th April, 1998.

Cash Flow Statement for the year ended
31st March, 1998

	Rupees	Rupees	Previous Year Rupees
A. Cash Flow from Operating Activities			
Net profit before Tax and before extraordinary items		45,14,316	17,08,469
Add : Depreciation	21,05,162		21,92,278
Amortised Miscellaneous Expenses ..	13,08,368	34,13,530	5,88,216
Operating profit before working capital change		79,27,846	44,88,963
Change in :			
Trade & Other Receivables	(1,50,31,975)		93,38,173
Inventories	71,03,623		(33,30,097)
Trade Payables & Other Liabilities	59,17,584		(78,17,963)
Deferred Revenue Expenditure	(25,46,933)	(45,57,701)	(25,78,800)
Net cash generated in operating activities		33,70,145	1,00,276
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets	(4,59,346)		(1,72,534)
Sale of Fixed Assets	27,617	(4,31,728)	—
Net cash used in investing activities ..		(4,31,728)	(1,72,534)
C. Cash Flow from Financing Activities			
Proceeds from Secured Borrowings ...	15,75,931		5,15,447
Proceeds from Unsecured Borrowings	—	15,75,931	4,46,650
Repayment of Unsecured Borrowings		(2,57,303)	(8,08,001)
Net cash generated in financing activities		13,18,628	1,54,096
Net Increase in Cash & Cash Equivalent (A+B+C)		<u>42,57,045</u>	<u>81,838</u>
Cash & Cash equivalent at start of the year		3,90,431	3,08,593
Cash & Cash equivalent at close of the year		<u>46,47,476</u>	<u>3,90,431</u>

For and on behalf of the Board

C. S. PANIGRAHI
Controller of (Accts.) - cum -
Asst. SecretaryP. K. GHOSE
DirectorM. SRINIVASAN
Manager (Accts.) - cum -
Asst. SecretaryPRABHU NARAIN
Managing Director

Jamshedpur, 27th April, 1998.

Auditors' Certificate

We have verified the above Cash Flow Statement of IPITATA Refractories Limited derived from the audited financial statements for the year ended 31st March, 1998 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of listing agreements with Stock Exchanges.

Jamshedpur

Dated : 27th April 1998.

IPITATA REFRACTORIES LIMITED**Balance Sheet Abstract and Company's General Business Profile****I. Registration Details**

Registration No.

7 3 5

State Code. 1 5

Balance Sheet Date

3 1 / 0 3 / 9 8
Date / Month / Year**II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

5 3 1 4 9

Sources of Funds

Paid-up Capital

2 5 2 3 3

Secured Loans

9 1 1 0

Application of Funds

Net Fixed Assets

1 9 6 7 5

Net Current Assets

9 5 5 0

Accumulated Losses

1 8 0 5 2

Total Assets

5 3 1 4 9

Reserves & Surplus

1 5 0 0

Unsecured Loans

1 7 3 0 6

Investments:

5

Misc. Expenditure — Deferred Revenue Expenditure

5 8 6 8

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

2 1 1 9 8 7

Profit Before Tax

4 4 7 0

Earnings per Share (in Rs.)

2

Total Expenditure

2 0 7 5 1 6

Profit After Tax

4 4 7 0

Dividend Rate %

N I L

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)

6 9 0 2 2 0 0 2

Product Description

B R I C K S & S H A P E S
H I G H A L U M I N A

Item Code No. (ITC Code)

6 9 0 2 9 0 0 1

Product Description

F I R E C L A Y B R I C K S &
S H A P E S

Item Code No. (ITC Code)

6 9 0 3 9 0 0 4

Product Description

M O N O L I T H I C S / C A S T A B L E S
(F I R E C L A Y H I G H A L U M I N A)

As per our report attached
For P. MUKHOPADHYAY & CO.
Chartered Accountants
SUBHAS MUKHOPADHYAY
Partner

Jamshedpur, 27th April, 1998.

C. S. PANIGRAHI
Controller of (Accts) - cum - Asst. Secretary
M. SRINIVASAN
Manager (Accts.) - cum - Asst. Secretary

For and on behalf of the Board
P. K. GHOSE
Director
PRABHU NARAIN
Managing Director




ENVIRONMENTAL MANAGEMENT

- EMS STANDARD ISO 14001 BEING INTRODUCED
- PARTICIPATING IN LIFE CYCLE ANALYSIS PROJECT SPONSORED BY MINISTRY OF ENVIRONMENT
- FIRST BENCHMARKING PROJECT TO IMPROVE THE OPERATING PERFORMANCE OF CORE ONENS EFFLUENT TREATMENT
- MORE THAN 6 LAKH TREES PLANTED UNDER GREEN MILLENNIUM CAMPAIGN

GREEN MILLENNIUM

- 1000 TREES FOR 1000 DAYS
- 6,12,232 TREES PLANTED IN 97-98

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